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MUNICIPAL GOVERNMENT

BIRD S. COLER

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MUNICIPAL GOVERNMENT

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Municipal Government

As Illustrated by the Charter, Finances, and Public Charities of New York. By Bird S. Coler, Comptroller of the City

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New York
D. Appleton and Company
1900

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PREFACE

No graver problems of government exist in civilized countries than those developed during the last quarter of the nineteenth century in the management of the affairs of American cities. Great principles of finance, education, charity, public health, and politics are involved in the government of large municipalities ; and these questions, where they are presented on a scale so large, command the attention of all students of public affairs. The time when city government was supposed to consist of a mayor and aldermen elected to perform certain arbitrary and ornamental duties is past, and to-day there is no more fertile field for the exercise of talent and originality than in the

development of the great resources and enterprises that are the common property of the people of populous urban communities. The proper government of cities has at last come to be recognized as a work of broader scope than maintaining streets and highways, preserving order, and collecting taxes to pay the bills.

During the past ten years the policy of public ownership and control of public property has developed into an established feature of municipal government, and valuable franchises are no longer distributed as political rewards or personal favors without protest. Methods of developing revenue-producing public property, and of utilizing the enormous waste of refuse incident to cleanliness and sanitation, are now studied thoroughly and intelligently with encouraging results. Everywhere there is a promising tendency toward thorough business methods in the conduct of the affairs of cities.

The experiment of extending the limits of the city of New York to include almost

one hundred suburban towns and villages, and the immediate application to the whole of the ordinances and regulations of a great city, has been watched with unusual interest by students of municipal government all over the world. It was an act without exact precedent in any age or country, and, while the success of consolidation was never doubted by its advocates, in almost all matters of detail the great municipality has not yet passed beyond the stage of experiment. The plan of government adopted was not perfect. Many errors have been discovered, and some corrected. Much remains to be done, and for some years to come progress may be slow; but valuable lessons have been learned, and there is reason to believe that the mistakes of the past will not be repeated.

A statement of conditions that exist and reports of progress made in the larger affairs of the greatest city of the New World may not be devoid of interest to students of municipal government; therefore

the following observations are respectfully submitted. In presenting details relative to errors in the charter, changes that should be made, and facts showing how public charity has been abused, I have drawn to a considerable extent upon my articles on those subjects in the North American Review and the Popular Science Monthly, the Outlook, and addresses delivered before the City Club of New York, and the Massachusetts Reform Club.

BIRD S. COLER.

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MUNICIPAL GOVERNMENT

CHAPTER I

THE CITY CHARTER

Expensive and Serious Errors Disclosed—Some Changes Suggested.

It was not to be expected that a charter for a great city, that was prepared in some haste and enacted into law without debate or amendment, would be perfect. For a municipality where the public and private interests are so vast and diversified the framing of a perfect organic law is a task requiring the exercise of the wisest statesmanship and most far-seeing judgment. The local interests and expectations involved in the physical and political consolidation creating the Greater New York were so conflicting, and at the same time so strong, the first

charter, prepared as it was by men representing all of the antagonistic elements to be united, could not be other than what it is—a long chapter of compromises and concessions.

The framers of the charter submitted it with a plea for a trial, and it was enacted into law with a tacit understanding between State and City that it should be tested fully and fairly before it was changed. No protracted experiment was necessary to disclose many mistakes, all of them expensive, some of them serious.

A careful study of the charter in operation has led to some conclusions as to the government of the city which involves certain specific changes that in my opinion would correct the developed errors in the organic law.

In determining the question of the success or failure of consolidation comparison can not be made. The form of the experiment was unique in the creation or building of cities, and the men who made the charter

had no precedent to guide them. In preparing a charter for the consolidated city, the Commissioners closely followed the general form of government that prevailed in the original city of New York, making such additions and modifications as seemed to them best adapted to the new conditions. The charter had scarcely gone into operation, however, before it became evident that many mistakes had been made and that changes were essential to the perfection of local government. As was anticipated, the change was an expensive one at the outset, and the cost was increased by acts of questionable legality, which those who created the new city had taken no measures to restrain.

When the act of the Legislature creating the Greater New York became a law, there was an immediate rush on the part of many of the small municipalities that were to be merged into the city to obtain the greatest possible amount of immediate and prospective benefit. Local public improve-

ments, on a scale impossible under the conditions about to pass away, were undertaken, and bonds were hurriedly issued and sold, with complete disregard of consequences, as well as indifference to the prospective rights of the larger city. Extravagant contracts, intended to bind the city for five, ten, and even twenty years, were entered upon with no apparent purpose other than to benefit favored local or individual interests. Such methods on the part of town and village officers resulted not only in great confusion at the very beginning of consolidation, but added a large sum to the current expenses of the city, caused higher taxation, and left a legacy of costly litigation that may not be ended for a number of years.

The almost bankrupt condition of Brooklyn and Long Island City, and the necessity of temporary loans for meeting current expenses during the year 1898, while adjustment of assessments and taxation was in progress, added materially to the cost of government during the first and second

years of consolidation, the money borrowed in 1898 having to be repaid from taxation in 1899. At the outset of consolidation, the combined bond and contract indebtedness of the new city considerably exceeded the constitutional limitation of ten per cent of the assessed value of real estate, which caused some delay in carrying out projected public improvements, and much criticism and questioning of the wisdom of the step that had been taken.

The Greater New York was, to some extent, handicapped at the beginning by a financial condition that might have been wholly avoided by the exercise of better foresight on the part of the framers of the charter. This condition, however, did not at any time seriously affect the credit of the city, and during the past twelve months the bonds of the municipality have sold in the open market for higher prices than had been obtained for many years for similar securities. To-day the bonds of New York city, considered as investment securities,

rank almost as high as those of the National Government. This fact is the best proof that consolidation has not injured the city's credit.

Solvency and credit having been firmly established, official and public attention may now turn with greater interest to the details of government, and errors in the plan should be remedied with as little delay as possible, lest they become permanent and serious defects in the structure. In this outline of changes suggested by actual experience of the conditions created by consolidation, it is not intended to criticise the Commissioners who drafted the charter. They planned well, and in many essential features the charter is admirable, and will probably remain without radical change so long as representative government endures. But in detail there is much room for improvement.

The graver mistakes in the plan of government provided by the charter may be classified under two heads—too much government and unnecessary division of author-

ity. There are too many departments, too many bureaus, and too many officers. Authority should be centralized, responsibility fixed beyond possibility of evasion, details of administration simplified, and the machinery of government reduced to the smallest scale consistent with perfect operation. No matter what division may be made of the duties and powers of municipal administration, local government really reaches the people through four channels—police, sanitation, public education, and taxation. To the poor and the ignorant the policeman and the sanitary inspector represent the authority of city government, the public schools the visible benefit of the system. The most direct and economical application of the four chief functions of local rule must therefore be best for the people and for the corporation. Directness and economy in the management of the business of the city are possible only through centralization of power and responsibility.

Experience with the government of

Greater New York has already demonstrated that cities do not require local legislative bodies. The bicameral Municipal Assembly created by the charter should be abolished, and its limited duties divided among the several administrative departments as a matter of economy and to expedite the transaction of public business. Only one body should remain with powers, similar to those formerly possessed by the Board of Aldermen in the city of New York prior to consolidation.

The creation of a local Legislature, with obstructive power over the appropriation of public money, was in the nature of an experiment in municipal government, or, rather, a revival, under somewhat new conditions, of a plan which experience had frequently proved to be a failure. It was claimed by the advocates of the plan that such an elective body, directly representative of the people, would act as a check upon the Executive and all administrative departments, insure careful investigation and the

fullest publicity of all matters affecting the general welfare. In brief, the Assembly was to prevent extravagance and safeguard the rights of the people.

The charter provides that all appropriations for current expenses or public improvements shall be approved by both houses of the local Legislature, by a three-fourths vote of all the members. This provision has made it possible for a few members in each house to combine to delay or defeat appropriations necessary to carry on the public business, for no better reason than motives of personal or political interest. The Municipal Assembly, therefore, has developed into a mere obstructive body, with well-nigh unlimited negative power, or at least enough to defeat the best plans of any honest, competent, and progressive administration. As a law-making body, this branch of the government need not be considered, because it has made no laws.

The hopeless confusion of local legislation resulting from consolidation with ordi-

nances of the former cities of New York and Brooklyn still in force within their respective territorial limits yet remains, and, although more than two years have elapsed, no effort has been made to bring order out of this chaos. The duties of the Assembly, as fixed by the charter, consist largely of mere details of administration, which should be left to heads of departments and special bureaus.

One feature of the business of the local Legislature, however, is worth more than a passing notice. The charter permits the Councilmen and Aldermen to make rules and regulations for the keeping of stands on the sidewalks and stoop lines of the streets. These stands may be used for a great variety of business purposes, and in many cases the privilege is a valuable one, amounting in reality to a franchise for the free use of a portion of the public highways. As a matter of business, the city should derive a considerable revenue from this source ; the privilege should be a matter of permit and license,

a simple commercial transaction, carried on through a suitable bureau. The Municipal Assembly has the power, or at least has assumed it, to grant such privileges by resolution ; and the keeping of a stand on a street corner has become a matter of political patronage, instead of a business franchise yielding a revenue to the city for the use of public property.

There is, in reality, scarcely any duty devolved upon the local Legislature which could not be discharged by a bureau of some department with profit and advantage to the city, and the powers of this body, as already stated, are largely obstructive. The cost of the Municipal Assembly for the current year is $196,552, and more than half of this amount could be saved to the taxpayers without detriment to the public service. The addition of one or two small bureaus, and an extension of the powers of the Bureau of Licenses, would carry on the work now done by the Assembly, and the privileges given away as personal favors or politi-

cal rewards could be made to yield a revenue of $500,000 a year.

A second and less expensive experiment was the creation of borough officers, a system that, if carried out to its logical conclusion, would forever maintain sectional divisions, develop and encourage local interests and jealousies, divide authority and responsibility, to a limited extent continue five nominal municipalities within one real one, and defeat the chief purpose of consolidation, if that purpose was to make one great and undivided city within a specified territory. The Charter Commissioners were evidently in doubt as to the wisdom of the plan, because they hesitated and stopped short of placing in the hands of borough presidents and boards actual power to do anything. The office of borough president, instead of being accepted by the public as a place of honor and importance, is regarded rather as an expensive joke on the taxpayers.

The possibilities of the plan of sub-government by boroughs, as outlined in the

charter, are too extensive to be considered at length in this work; but the principle is wrong if consolidation is to be permanent, successful, and satisfactory. If Greater New York is to become the imperial city contemplated by the men who conceived the plan and worked it out with the patience and earnestness of belief in its success, there can be no divided government within its limits, no placing of one section as the rival of another. Divisional lines must be obliterated forever.

The salary of the five borough presidents and their clerks, together with their incidental expenses, amount to $51,300 a year. The sum is not large, considered as an item of the budget, but the city receives absolutely no material result in return. The powers of the borough officers are so limited that a brief repealing clause is all that is necessary to remove this contradictory, useless, and confusing attachment of consolidation. The repeal of the chapter of the charter that created borough presidents

and boards will save to the taxpayers $51,300 a year, without in the slightest degree disturbing the general plan of government.

The borough system is not only a failure, as a working force in the public system, but experience has not sustained the theory on which the Charter Commissioners were acting when they created borough boards and a city Legislature. That theory was to build around the city treasury on the one hand, and the rights of the people on the other hand, a series of bulwarks or safeguards against possible corruption in office. A public treasury is never protected by an increase of patronage, the cost of which must come out of the funds that are to be guarded. The rights of the people of the city are always safer in the hands of a capable and conscientious Mayor and Comptroller, endowed with ample power carrying with it full responsibility, than they can possibly be when left to the care of a multitude of irresponsible office holders, whose own personal and political interests

must of necessity be confined to a district or a borough.

The creation of boroughs, and the accompanying establishment of interior and sectional governments in form, without power, and the installation of a city Legislature were the chief departures or experiments incorporated in the charter. They have both failed so completely that they should be permanently and entirely abolished with as little delay as possible. Various bureaus and offices continued from the plan of government that prevailed in the former cities of New York and Brooklyn are no longer required, and they should be gradually abolished, the nominal duties devolving upon them being divided among other departments. In this way several hundred thousand dollars a year may be saved in salaries alone. It is not possible, within the limits of this book, to go into a detailed review of the work of all city departments and bureaus, and point out the particular places that might be abolished; but it has been demonstrated that, as the

government of the consolidated city gets into smooth working order, there can be a gradual reduction of offices that will ultimately result in a large annual saving to the taxpayers.

In addition to the changes in the charter already suggested, amendments should be made in that instrument such as would vest in the Board of Estimate and Apportionment absolute control of the financial interests of the city. The fictitious safeguards of the public treasury having been swept away, as above indicated, centralized, responsible, and economical city government would then be in sight. After all, the best safeguard of the money and of the rights of the people is the election to office of honest and capable men. While the civic pride of the New York public may not have reached the ideal in development, it would be preposterous to say that a thief, or even a man of questionable character, could be elected Mayor or Comptroller of the city. With honest executive and financial officers the treasury will be safe, and government can be

simplified to a condition where it can be applied to its proper functions without circumlocution, and with such economy as will satisfy the most exacting critic.

The first step toward this ideal condition in Greater New York should be to increase the power of the Mayor, and to fix upon him, beyond possibility of evasion, responsibility for his administration. His power of removal over his subordinates should be absolute throughout his term. The power of the Comptroller over the finances of the city should be extended, so that no claim, not founded in express contract, should be paid, no bonds issued for any purpose and no appropriation authorized, without his approval. Such power would serve as an effective check upon the Executive branch of the government. Without money to spend there can be no extravagance.

The next important step should be to enlarge the powers of the Board of Estimate, which, under existing provisions of the charter, is called upon to approve every impor-

tant contract, as well as to regulate the budget and authorize the issue of bonds for all public work. This Board is now composed of the Mayor, the Comptroller, and the President of the Council, elective officers, and the Corporation Counsel and the President of the Tax Department, officers appointed by the Mayor. With this membership the Mayor is the controlling power in the Board. With the votes of the two officers appointed by him he can outvote the other officers elected by the people. The membership should be so changed that a majority of the Board would be composed of officers elected at the polls. This need not hamper the Mayor or curtail his power in any essential particular, and it would satisfy the public to have the control of the city's finances vested in elective rather than appointed officers. The charter should be so amended as to make the Corporation Counsel an elective officer, and thus leave the Board of Estimate with only one member who would be an appointee of the Mayor.

The powers of this Board could be safely enlarged until it became a semi-legislative body. It should have power under the charter, by a unanimous vote of all its members, to build bridges, sell franchises, open new parks, construct public buildings, make and enforce through the proper department any regulation necessary for the public welfare. Its resolutions should be final, and to the routine business of all departments it should be in the nature of a court of last resort. The power of this Board to act in any emergency should be well-nigh unlimited. It should be empowered to control all business affairs of the city without assistance from the State Legislature. The Board of Estimate is in theory, and should be in reality, the Board of Directors of the municipal corporation, with all the duties and powers implied by such a relation to the public business. No act involving the expenditure of city money should require the intervention of the State Legislature, and appeal to the State should be made only in exceptional cases.

All public business before the Board of Estimate, or any other board or department of the city government, should at all times be transacted in open sessions. Public hearings should be had on all important questions before a final decision is made, and taxpayers should be invited and encouraged to attend sessions of the Board and to express their views at the hearings. There is never much wrongdoing in the open, and corruption in city government could not escape detection under this system of publicity in the transaction of city business. In addition to compelling honesty, the plan of inviting public scrutiny of everything done would tend to relieve the public mind of possible doubt and suspicion, and would establish a better and more satisfactory relationship between the city officers and the public. A condition of perfect understanding between the governing power and the governed would obviate friction, would insure universal public approval of every movement for the general welfare, and should in time bring about the

best system of municipal control that the ingenuity of man can devise.

This condition of open government is possible only by a centralization of authority, as outlined for the Board of Estimate. Heads of departments should have a large measure of control over their subordinates and the minor details of the work they are to do, but in every case they should be the agents of the Board in control of the finances. The Board should have the power to control and prescribe the form of contract specifications, and this power should be exercised in the case of all important contracts.

Another experiment in the charter, the Board of Public Improvements, should be either abolished or modified. The plan for carrying out public work under which this Board was created has some good points and many objectionable ones. Chief among the latter are the extra expense and delays caused by the new system. The cost of the Board of Public Improvements for the year 1899 was $209,500. This entire sum could

not be saved to the city by abolishing the Board, because the same work would have to be done by several departments, but there would be a large saving of salaries and much useless red tape would be dispensed with. If the Board of Public Improvements, under the present charter provisions, plans a new bridge, a new small park, or any other public improvement, the actual work must be done by contract, under the supervision of the Commissioner or engineers of the proper department. Money and time would be saved by having the plans made under the supervision of a head of department in the first place, the plans to be approved and the contract awarded by the Board of Estimate.

Under the present system, the appropriation for the Police Department is paid over in twelve equal installments. The pay rolls of that department do not pass through the Comptroller's office. The inspectors and captains act as paymasters for the police. While no thefts or errors have been charged against the department, the system of pay-

ing out money should be uniform. The police pay rolls should be inspected by the Auditing Bureau, and the money should be paid out by the City Paymaster. With this change, the system of handling the money of the city would be nearly perfect, and the loss or theft of any considerable sum would be impossible.

Another proper step in the direction of centralization and economy would be to reduce the number of Commissioners. There should be a single head for each department. In this matter the charter is not consistent. There are four Police Commissioners and one Fire Commissioner, one Commissioner of Highways and three Commissioners of Docks and Ferries. No person familiar with the business of the city departments would seriously contend that one man could not direct the affairs of any one of them. Eleven or twelve commissioners, at $5,000 a year, could be dispensed with at once without detriment to the public service. There should be no divided authority in any

department, and then there would be no evasion of responsibility. No department, under the existing system or the plan herein outlined, can be anything more than a subordinate branch of city government to execute the policy of the administration. Therefore, a voting board in charge of docks, highways, or parks is useless and expensive. With absolute authority over the appropriations and the finances of the city centralized in the Board of Estimate, and unlimited executive power vested in the Mayor, there can be no co-ordinate branch of government, and a board or commission at the head of a working department is, therefore, a palpable absurdity. Exception might be made, however, in the case of the Board of Health, because of the peculiar duties and powers of that department.

The proposed changes in the form of city government would save to the taxpayers almost $1,000,000 in salaries and incidental expenses at the outset, and the centralization of power and simplification of

method would lead gradually to other and larger economies.

The amendment and perfection of the charter by the State Legislature, along the lines suggested, would give to the Greater New York a simple, direct, and economical form of government, by which the public business could be carried on under the ever watchful guardianship of the people themselves. The officers elected would not be hedged about and restricted by unnecessary forms of law. They would have ample power to plan and execute public work for the public good, and for the material advancement of the great municipality committed to their care, and, at the same time, they would be compelled to assume the fullest responsibility for the faithful discharge of the trust reposed in them.

CHAPTER II

PUBLIC CHARITY

Pauperism encouraged by Private Societies supported by the City.

One of the serious problems of the government of a large city is the proper regulation of public charity. It may be blessed to give, but cities must give wisely or they will fall easy victims to the parasites of professional pauperism. For many years the generosity of the city of New York was abused to an extent probably never equaled in any other municipality.

Ten per cent of all the human beings who die in New York city are buried in Potter's Field at public expense; but the records of organized charity, official and semiofficial, show that less than one per cent of the living are paupers or dependent per-

sons. There are two explanations of the difference between the number of living poor and penniless dead. The chief one is that abuse of public charity has grown to such proportions that the city has become the Mecca of the chronic idlers and tramps of the entire country. It is easier for an industrious and shrewd professional beggar to live in luxury in New York than to exist in any other city in the world. No magic wand of ancient fable was ever more potent to unlock the gates of castle or prison than the name of charity is to open a way to the public treasury. The liberal and well-nigh indiscriminate giving of the money of the taxpayers for the relief of sickness and poverty has been commanded by law, sanctioned by custom, and approved by public opinion until the possibility of checking or reforming the abuse grows more and more remote as the burden increases and the evil results multiply.

The city of New York gives annually to public charity more than $5,000,000, and

contributes indirectly $2,000,000 more. Of the money raised by taxation for city purposes proper (State taxes, interest, and county expenses eliminated), almost twelve per cent is properly chargeable to relief of poverty and sickness. Of this expenditure more than $3,000,000 is paid to private institutions and societies over which the city formerly had no control or supervision. The payments are made in compliance with the provisions of acts of the State Legislature. The only provision in these laws that enabled the city officers to protect the treasury from fraud was a clause under which the Comptroller was permitted to verify the bills of the institutions for the care of committed persons. There is a constitutional safeguard against outright swindling of the city, in the requirement that charitable institutions shall be inspected and their bills approved by the State Board of Charities, but the system is open to many abuses where the public officers are powerless.

The present Comptroller of the city has

found that a number of alleged charitable institutions and societies receiving money from the city apply nearly all their funds to the payment of salaries of officers and employees, while their relief work is very limited and of doubtful character. Other societies, he found upon investigation, really encourage professional beggars without in any case relieving deserving poor. A few cases were so flagrant in their abuse of public charity that the further payment of city money to the societies was refused. In one case he found that a society which claimed a board of directors and numerous officers was really managed by one person, who in one year had received $1,500 from the city and $70 from all other sources, and had expended $1,300 of the amount for salaries and $40 for the relief of the destitute.

The Department of Public Charities, for the maintenance of which the sum of $1,941,215 was appropriated for the year 1899, is controlled entirely by the city. The balance of the $5,000,000 appropriated annu-

ally for the same general purpose is divided among more than two hundred societies and institutions managed by corporations or private individuals. In theory none of these private institutions is supported by the city, the municipality merely paying to them a fixed sum, which is supposed to be supplemented by private donations. In reality nine tenths of them could not exist six months without the money they receive from the public treasury. Very few of these semipublic charities have an income from all other sources equal to the appropriation from the city.

The city pays for the support of a child in a private institution the sum of $110 a year, and the average allowance for the maintenance of an adult is $150. The percentage of children among the dependent persons is almost three to one, so the $5,000,000 public-charity fund would feed and clothe more than forty thousand persons each year if applied directly to that purpose. In the distribution of this great sum of pub-

lic money, however, fully $2,000,000 of the amount is absorbed in the payment of salaries and expenses, and therein exists an abuse of public charity so great that the present Comptroller of the city some months ago appealed to the Legislature for relief in the form of legislation which would enable the local authorities to stop payments to many societies. There are numerous small institutions, some of them having the indorsement and moral support of leading citizens, that spend from sixty to eighty per cent of all the money they receive in the payment of salaries, and in one case discovered by the Comptroller the expenses absorbed ninety-four per cent of the total income of the society !

There is no evidence that any of these societies are deliberately dishonest in their dealings with the city and the public. They are as a rule conducted by men and women whose motives are good, but who have no experience or practical knowledge to fit them for the management of a charitable

institution. They are easily imposed upon by professional beggars, and in most cases fail in their well-meant efforts to reach and relieve the deserving who are in actual need. Most of the small organizations that waste public money in misdirected charity are controlled by women of eminent respectability, but with no knowledge whatever of the details of the work they have undertaken. The result in many cases has been that they employ enough help to absorb the bulk of the money received without realizing that they are doing more harm than good.

The city does not spend its own money cheaply. Of the appropriation of $1,941,215 for the support of the Department of Charities for the year 1899 the sum of $529,626 was allowed for the payment of salaries of Commissioners and employees. No private business could long endure if conducted on such a basis. Some of the institutions where hundreds of homeless waifs from the streets are cared for—institutions semipublic in character, managed by

men of more than local reputation as experts in such work, societies founded by men and women whose lives have been devoted to doing good—show by their annual reports that more than half their income is paid out in salaries. One institution that received $30,000 from the city in 1898 and $20,000 from all other sources, reported a salary account of $31,000. Another, receiving $100,000 from the city and $120,000 in donations, had a salary account of $115,000. For every five persons supported by public charity there are three persons employed on salary in the work of relief. Of every five dollars paid out by the city treasury to relieve the sick and destitute, two dollars is absorbed by the salary and expense accounts.

The theory of the law under which city money is paid to private charitable institutions is that they relieve the municipal authorities of the care of a certain number of persons who would otherwise become public charges to be maintained in the hospitals, asylums, or homes owned by the city. It is

also a popular theory that young children who have become a public charge will receive better care and training in a home controlled by a private society than they would in a public institution. Appropriations and legislation are also obtained by private organizations on the representation that for every dollar paid to them by the city or State an equal amount will be contributed by founders and subscribers. This representation is not always true, and in many cases it happens that when a society begins to receive money from the city private contributions fall off. When the city authorities first took up the question of caring for homeless and destitute persons, and found that they had to deal with a grave problem, some of the private charitable institutions were already in existence and came forward with offers to share the burden. At that time it was considered a good business arrangement for the city to use private societies in the work of relief. This plan, it was expected, would save the city considerable

money, because the officers of the societies would contribute their services, and the cost of applying public charity to necessary relief would in that way be reduced to a minimum. That expectation has not been realized. With the rapid increase of necessity and demand for public relief the expenses of administration of the societies have increased out of all proportion to the work accomplished. In the beginning the city authorities shirked a public duty, and by giving city money to private persons who were willing to relieve them of a burden they invited the creation of new societies and a steadily increasing demand for more funds.

Of the two hundred and twenty charitable societies that receive money from the city, more than one hundred have been organized during the past ten years. The records of the finance department and the annual reports of these new organizations show that many of them have received from the city sixty to ninety per cent of all the funds they have handled, and that almost

the same percentage of their total income was charged to expenses, the chief item of expense in every case being the payment of salaries to officers. Year after year the promoters and officers of these small organizations appear before the city authorities when the annual budget is to be passed, and attempting to excuse the poor showing they make, say, in pleading for a larger appropriation, "We hope to do better next year." The most liberal-minded defender of indiscriminate public charity would find it difficult to excuse the existence of some of these societies.

There are scores of small organizations helping to spend public money that are unknown to the general public. In fact, some of them are never heard of except when their officers appear before the Board of Estimate once a year to ask for more money. There is a society, organized for the purpose of supplying clothing to shipwrecked sailors, which for several years obtained a small appropriation from the city.

When the officers requested an increase of the amount allowed, the city authorities asked for some particulars of the work done. The report submitted in reply showed that the society had received, in addition to the money obtained from the city, several donations of second-hand clothing and one box of wristlets (knit bands to be worn on the wrists); had sent to a sailor shipwrecked on the coast of Oregon a suit of underwear, a pair of hose, and a rubber coat; to a crew wrecked on the reefs of Florida some shoes and oilskin caps. There was no report of relief or clothing supplied to a sailor or any other person in the city or State of New York, but there was a charge for salaries that almost balanced the amount received from the city treasury.

Another of the minor institutions is a society that is engaged in an original method of charitable work. The agents of this society, or the members themselves, go out into the slums of the city on Sunday mornings and gather in a number of tramps.

The homeless wanderers are assembled in a room hired for the purpose and supplied with a warm breakfast, after which they are compelled to listen to a sermon and a lecture. They are then allowed to depart and live as best they can until the following Sunday. For a number of years this society has received a small appropriation from the city on the ground that it is a useful public charity.

To all of these small societies, no matter what may be their alleged field of charitable work, city money was appropriated without specific knowledge of the exact purpose to which it is applied. By legislation or petition, backed by the influence of prominent citizens, scores of these petty organizations, some of them merely a fad or whim of an idle man or woman, were placed on the list of semipublic charities to be aided at the expense of the taxpayers, and there they remained year after year without so much as a serious inquiry as to their merits or the work they accomplished. The city au-

thorities who granted the appropriations could not know how the money they gave to such societies was to be expended, because they had no legal authority to investigate the conduct of such institutions. The city officers, therefore, were not to blame. The fault seems to rest primarily upon that condition of public opinion that is cheerfully tolerant of any fraud committed in the name of charity, and secondly upon the members of the Legislature who vote without question or investigation for all legislation asked for by any benevolent person or society.

To the large charitable and correctional institutions of established reputation, to which children or pauper adults are committed by the local authorities, city money is appropriated on a business basis. A fixed sum is paid for the support of each committed person, and the taxpayers may know what they are getting for their money. While the city authorities can not regulate the expenses or salaries in these institutions, they know that the city is paying for a spe-

cific service and that the work is performed. That it might be done better or more cheaply need not concern them. But to the institutions and societies that do not undertake to support dependent persons, but engage in indiscriminate charitable work, the giving of city money is as doubtful a method of relieving the deserving poor as throwing coin in the streets.

The appropriation of city money made for 1899 direct to two hundred and fifteen charitable and correctional institutions and societies amounted to $1,784,846. The appropriations from the excise funds to institutions that support pauper children and adults slightly exceeded $1,000,000. The county of New York paid to State and private charitable institutions for the same period the sum of $118,682; Kings County, $82,669; and Richmond County, $4,845; all of which comes out of the general treasury. The money received for licenses for theaters, concert and music halls, amounting to $50,000 a year, was divided among eighty-

two private societies and institutions. This made an aggregate of $3,000,000 paid out by the city treasury annually and expended under the direction of private organizations. With the exception of less than $100,000, it was all appropriated under the provisions of special acts of the Legislature, or sections of the city charter, and the city officers had no control whatever over the methods of expenditure or the work undertaken by the societies that received the money. Under such a system the possibilities for abuse of public charity are well-nigh unlimited.

These direct appropriations of money do not represent all of the city's contribution to the cause of charity. The property of all the charitable institutions and societies is exempt from taxation and from assessments for public improvements. The Tax Commissioners report that the assessed value of the property of such organizations is $70,781,990. At the present rate of taxation this means a loss to the city of more than $1,400,000 a year. The assessments upon the same prop-

erty for public improvements exceed $100,000 a year, which is paid by the city. These exemptions materially affect the tax rate as well as the bonded indebtedness and annual interest charges of the city, so that the yearly contribution of the taxpayers of New York to charity is nearly if not quite $7,000,000, or about fifteen per cent of the direct expenses of the city government.

Some figures from the budget for 1899 will show the relative cost of caring for the poor. The city paid for public education $13,040,052; for police, $11,797,596; for the fire department, $4,443,664; for the health department, $1,110,538; for lighting, $2,000,000; for water, $1,450,817; for cleaning the streets, $4,575,800; for parks, $1,729,235; for paving and repaving streets, $2,520,099; and for charity direct and indirect, $7,000,000.

The chief abuses of the former system of public charity were the extravagant expenditures for salaries and the steady and rapid increase of pauperism due to the misdirected efforts of the inexperienced persons who

control so many of the smaller societies that receive city money.

One of the oldest and most important charitable organizations in the city is the Children's Aid Society. The report of the treasurer for 1898 shows the following expenditures:

Industrial schools—		
Salaries of superintendent and teachers	$106,265.71	
Rent of schoolrooms	5,119.26	
Books and school supplies	5,178.54	
Provisions	8,509.70	
Clothing and special relief	5,512.56	
Fuel, gas, repairs, etc.	20,497.88	
Sick Children's Mission		$655.48
Children's Summer Home		9,405.37
Health Home		8,307.45
Farm for Boys—Summer Charities		2,719.59
Brace Memorial Lodging House		12,914.13
Elizabeth Home for Girls		10,366.33
Tompkins Square Lodging House		7,546.38
West Side Lodging House		9,079.26
East Side Lodging House		1,848.06
Forty-fourth Street Lodging House		7,948.56
Fogg Lodging House		1,942.26
Brace Farm School		12,150.64
Reading rooms		402.96
Medical examinations		312.00
Salaries, executive officers		8,659.92
Immigration, fares, food, clothing, etc.		30,162.69
Reinvestment, bonds sold		29,902.50
Amount due treasurer, November 1, 1898		435.71
Printing, stationery, car fares, and incidental expenses		3,551.85
		$309,394.79

This shows a total salary account of $114,925.63, or about thirty-seven per cent of the expenditure. The society received from the city $100,764, and from general subscriptions and donations $119,768. The balance of the income was derived from legacies, endowments, special trust funds, and sale of bonds.

One of the private institutions in the city for the instruction of deaf-mutes receives city, State, and county pupils under the provisions of special acts of the Legislature. The report of the treasurer for the fiscal year ending September 30, 1898, shows the following receipts:

Balance on hand, October 1, 1897.....	$2,885.03
New York State.....	44,216.74
New York County.....	27,179.54
Kings County.....	12,697.05
Queens County.....	1,217.19
Westchester County.....	1,060.94
Various other counties	2,727.02
Paying pupils.....	791.75
Donations.....	11,754.46
All other sources	613.89
	$105,143.61

The expenditures for the same period were $102,570.64, of which $33,613.56 was for salaries and wages. This is a private institution exempt from city or State control, subject to no governmental supervision except examination by the State Board of Charities, yet ninety per cent of its income is public money, and almost one third of the cost of maintenance is charged to salaries and wages. These two cases are mentioned not in criticism of the work or methods of the institutions, but as representing a fair average of the salary account of all the larger private charitable societies. They also fairly represent the two extremes in the source of their income, one receiving ninety per cent of public money, the other a little more than thirty per cent.

Recent investigations conducted by the city Comptroller and supplemented by the agents of the State Board of Charities disclose abuses in the expenditure of public money by certain small societies so flagrant that the appropriations for the current year

have been withheld. In these cases the salary account was always the chief expenditure, but it was also discovered that whatever relief got beyond the headquarters of the societies went to professional beggars, who had no difficulty in deceiving the persons in charge. It was found that persons in good health had lived comfortably for months, perhaps for years, on public charity dispensed through private organizations. These professional beggars would obtain food at one place, clothing at another, coal at a third, small sums of money from all three perhaps, then reverse the order of application or appeal to newer organizations if detection threatened. Relief was extended in many instances with little or no effort on the part of the societies to ascertain the merits of a case or the honesty of an applicant.

One small society was found to have expended practically all of the money received from the city in the payment of the living expenses of the person who had the entire management of the organization. The char-

itable work of a year consisted in the distribution of a small quantity of cast-off clothing and a few bushels of potatoes. The reports of the society contained the names of directors who had never served and knew nothing of the true condition of the organization. They had merely consented that their names might be used as a guarantee of reliability and to aid in the work of soliciting contributions.

One case has been found where a mother and daughter lived comfortably by selling coal given to them by charitable societies. One private institution, now abolished, boarded committed children and received two dollars a week from the city for each child. The children were fed on fish and potatoes at a cost of forty-four cents each per week. After these facts were discovered the city authorities could not remove the children until the Board of Health condemned and closed the building under the provisions of the sanitary code. The minor abuses in the way of aiding undeserving persons extend

to nearly all the private societies that receive city money. Those that exercise care and have been long established are often deceived by professional beggars.

After his investigation of the subject the city Comptroller established in his office a bureau of examination for the purpose of placing a check on the many small societies that indulge in indiscriminate charity at the expense of the city, but he soon found that he was powerless to correct all abuses. The present condition can not be corrected and public charity placed upon a practical basis and limited to the real necessities of the deserving poor until the city government begins to deal with each society and institution upon its merits. Changes and reforms have now been inaugurated, but progress will be slow because charity is a valid excuse at the bar of public opinion for the reckless expenditure of city money, and for that reason it appeals strongly to the average politician and law-maker. Charity will cover with a mantle of commendation a multitude of

abuses and crave pardon for gross frauds. It is the pastime of the rich and their gratuity to the poor. The magic of the word seems to move a Legislature and open the treasure vaults of city and State.

CHAPTER III

CHARITY REGULATED

The City Gains Control of Appropriations and Adopts a New System.

My account of the extent of the abuse of public charity caused much surprise and a flood of comment, most of it favorable. I found that few persons interested in the better class of semipublic relief of the poor had any idea of the magnitude of the abuses that had developed under the system so long in force. The men and women who had devoted much time and study to the problem of dealing with the poor and dependent of the city's population agreed with me that there should be a reform that would relieve the city treasury of a heavy drain and discourage systematic aid to professional beggars.

I found that the city officers were practically powerless in the matter under the laws then in force. Most of the appropriations to private institutions were made in accordance with mandatory acts of the State Legislature. There had been no attempt at regulation or reform for thirty years. Every alleged charitable organization that failed to obtain from the city authorities all the money it asked for would, upon the first refusal of a demand, go to Albany and obtain the legislation necessary to get it. Little if any attempt was ever made to defeat such measures.

My investigation of the entire subject of combining municipal and private charity for certain kinds of relief work convinced me that the city should have absolute control over all appropriations to private societies and institutions. I presented the facts to the Legislature of 1899, and urged the repeal of all mandatory acts compelling appropriations to private charities. After considerable effort I secured the passage of an act,

known as the Stranahan Bill, which restored to the New York City Board of Estimate and Apportionment full power to regulate appropriations to all charitable societies and institutions under private control.

As soon as the Stranahan Bill became a law I began the preparation of a plan for the better regulation of city charity. Preliminary to the presentation of my plan to the Board of Estimate and Apportionment I prepared a record of the results of the system that had been so long in force. The effects of the old system may be summarized as follows:

First. Beneficiaries have been made the judges of their own deserts; for the bills presented by them to the Legislature have usually been passed without amendment or modification.

Secondly. Gross inequalities in disbursing public funds have arisen, different institutions receiving different rates of payment for the same class of work.

Thirdly. Payments have been required

to be made to certain institutions, the objects of which, though of a charitable nature, are not of such a character as to warrant a public subsidy.

Fourthly. The officers of the municipality have had no control over the method of disbursing these subsidies, and in some cases no knowledge of the purposes for which the moneys donated were to be applied.

Fifthly. In some cases the uses made of public subventions have undoubtedly tended to foster pauperism.

Sixthly. Private charities have been built up at the expense of the public charities maintained by the city.

On this last point, Mrs. Josephine Shaw Lowell, writing in 1891, said: "The point to which I wish to call attention is, that the city continues, at the bidding of the Legislature, to pay without protest, year by year, increasing sums for the support of public dependents under the care of private persons in private institutions, many of whom but

for this provision would probably not be dependent at all, while at the same time the public dependents, under the care of public officers in public institutions, are housed in buildings which are in danger of falling down, and are a discredit to the city." In support of this statement, Mrs. Lowell called attention to the following statistics :

Year.	Population.	For prisoners and public paupers.	For paupers in private institutions.	Total.
1850.....	515,547	$421,882.00	$9,863.00	$431,745.00
1860.....	813,669	746,549.00	128,850.00	875,399.00
1870.....	942,292	1,355,615.00	334,828.00	1,690,443.00
1880.....	1,206,577	1,348,383.00	1,414,257.00	2,761,640.00
1890.....	1,600,000	1,949,100.00	1,845,872.00	3,794,972.00

A similar statement for the year 1898 would be as follows :

Year.	Population.	For prisoners and public paupers.	For paupers in private institutions.	Total.
1898.....	3,438,899	$2,334,456.49	$3,131,580.51	$5,466,037.00

The first important step taken to limit these abuses was the constitutional amendment of 1894, which provided that "Payments by counties, cities, towns, and villages

to charitable, eleemosynary, correctional, and reformatory institutions, wholly or partly under private control, for care, support, and maintenance, may be authorized, but shall not be required by the Legislature."

This provision was held, however, not to affect previous legislation, but only such legislative enactments as might be adopted subsequent to 1894; and as most of the legislation affecting subsidies to charities had been passed prior to that year, the immediate effect of the constitutional amendment was not important. During the last session of the Legislature, however, Senator Stranahan, Chairman of the Senate Committee on Cities, became disagreeably impressed by the importunities of representatives of private charities in seeking acts of the Legislature to authorize the donating of city moneys to their institutions, and lent a willing ear to the representations of the local authorities that this whole subject had become a public abuse. Senator Stranahan thereupon introduced a bill, which subsequently became Chapter 196

of the Laws of 1899, which is destined to revolutionize the relations existing between the city treasury and private eleemosynary institutions. This act, in brief, authorizes the Board of Estimate and Apportionment, in its discretion, to appropriate money from the city treasury in aid of private institutions assisting the city in the care of dependents, regardless of the recognition which any institution may or may not have obtained from the Legislature by special enactment. The act furthermore authorizes the Board of Estimate and Apportionment to increase or diminish amounts allowed to private charitable institutions, regardless of the amounts fixed in prior legislation affecting such institutions. Thus the whole subject has been made a matter of discretion with the local authorities. Acts of the Legislature heretofore of a mandatory character now become permissive only, and, moreover, this state of affairs having been thus once brought about by Chapter 196 of the Laws of 1899, it will be impossible for any future Legislature to

return to the former system of mandatory legislation, because of the protection to the city treasury afforded by the constitutional amendment above mentioned.

The discretion conferred by this act upon the Board of Estimate and Apportionment carries with it a large responsibility. If hereafter the city, in its relation to private charitable institutions, should either, on the one hand, be wasteful of the public funds, or, on the other hand, fail to perform the duties owed by the community to its dependent classes, the blame can not be shifted to the Legislature, but will rest squarely upon the shoulders of the local authorities. In view of this new responsibility imposed upon the Board of Estimate and Apportionment, and with the view of attempting to solve some of the many difficulties of the charity problem, I set about, immediately after the passage of the Stranahan Act, to inform myself as well as possible in regard to the conditions at present existing, and to consider remedies for acknowledged evils

which might receive the approval of this Board.

All institutions receiving public moneys were requested to transmit sworn returns containing certain statistics relative to their charitable work and their finances.

I also solicited advice from a number of active and experienced workers in the charitable field, especially from the State Board of Charities, the New York Medical League, the Charity Organization Society, and the State Charities Aid Association. With the information thus and otherwise obtained I prepared for the Board of Estimate and Apportionment certain suggestions of a practical nature bearing upon the action to be taken in preparing the budget for the year 1900. The views expressed by nearly all of the experts in charitable work are somewhat surprising on account of the radical nature of the reforms suggested. While it may be true that the conclusions reached by some of these gentlemen are theoretically sound, and that their arguments are, from an

academic standpoint, unanswerable, it should nevertheless be borne in mind that in treating a condition which has been allowed to exist for many years almost without challenge from the local authorities, and has grown upon the passive or indifferent attitude of the public, sweeping and immediate reforms can be instituted only at the cost of serious temporary injury to certain charitable work of a necessary character.

I believe that the best results will be obtained if the Board of Estimate and Apportionment will decide upon a policy which should first decide clearly the relations to be established between the city treasury and private charitable institutions, and then move toward that end by gradually conforming the appropriations in the budget to that ideal in such a manner that progress shall be made as rapidly as may be consistent with the desire to avoid crippling excellent charities which have been led to depend for many years upon public assistance. By this, of course, I do not mean to suggest that the Board should ap-

proach the subject with excessive timidity, for the evils which exist have assumed such proportions that a more or less severe use of the pruning knife must be made in dealing with appropriations, else the effect will be scarcely perceptible. I am convinced that ultimately the cause of charity will benefit rather than suffer from this course, for it is a serious objection to the whole subsidy system that it tends to dry up the sources of private benevolence. As Dr. Amos G. Warner, author of American Charities, says: "Individual contributors dislike to have their mites lost in the abundance of a public appropriation. Almost without exception those institutions that have received public aid the longest and the most constantly receive least from private contributors. In looking up the history of a considerable number of institutions, it was found that after the public became a contributor, private contributions fell off from year to year, not only relatively, but absolutely, and in some cases ceased altogether."

At present, the city of New York occupies an unenviable prominence among the large cities of this country in respect to the subsidy system. The amounts appropriated by the large cities of this country to private institutions according to the statistics collected by the special committee of the Charity Organization Society, compare with similar appropriations in the city of New York as follows:

Chicago	$2,796.00
Philadelphia	151,020.00
St. Louis	22,579.30
Boston	Nothing
Baltimore	227,350.00
Cincinnati	Nothing
Cleveland	"
New Orleans	30,110.00
Pittsburg	Nothing
Washington	194,500.00
Detroit	8,081.00
Milwaukee	Nothing
Newark	7,500.00
Jersey City	Nothing
Minneapolis	2,000.00
New York city	3,131,580.51

Only about 21 per cent of the cost of dependent children is borne by private be-

nevolence in New York city, while in Philadelphia the percentage is 97.*

I have the honor to make the following suggestions for the consideration of the Board, and in doing so attention is called to the somewhat remarkable accordance of many of the recommendations made by the State Charities Aid Association with the conclusions which I had reached upon independent investigation prior to the receipt of the valuable communication of that organization :

I. All appropriations for charitable purposes should be included in the budget and not provided for from any other source. Under the existing system, moneys are donated to private institutions, not only from the budget, but from the Excise Tax Fund and from the Theatrical and Concert License Fund. Whereas the items which go into the budget are annually subjected to the close scrutiny of the general body of taxpayers,

* Conference on Care of Dependent and Delinquent Children, New York, 1893, pp. 164, 165.

this can not be said of the resolutions of the Board of Estimate and Apportionment appropriating moneys from the revenues of the city derived otherwise than from taxation. Indirectly, an appropriation from the Excise Fund is quite as much a charge upon the taxpayers as a direct appropriation from the budget, yet it has always been true, not only in the city of New York, but in other cities, that demands are made with greater freedom upon a fund of this character than from the annual taxes levied directly upon the people.

II. Public moneys should be disbursed only upon a basis of pro rata payment, measured by specific services performed, and this basis should be made uniform for all institutions performing similar work. At present a large number of appropriations are made in bulk to certain institutions of a charitable character, "for their general uses and purposes," and there is no means of knowing the return made to the city for the money donated, nor whether the appropriations are used for charitable work of a nature warrant-

ing public assistance. The following instances may be cited as illustrative of the inequalities of payments to charitable institutions performing the same class of services under the existing system :

Eighteen institutions caring for dependent children are paid per capita two dollars per week ; sixteen are paid twenty-five cents per day ; one is paid one hundred and four dollars per annum, and three one hundred and ten dollars per annum. Four medical charities receive for infants, thirty-eight cents per day per capita ; two receive ten dollars per month. Three lying-in hospitals receive for mothers, eighteen dollars per month ; two receive five dollars a week, and one receives twelve dollars a month. One receives fifteen dollars for each obstetrical case, and five receive twenty-five dollars. Three hospitals receive one dollar per day for each patient, while three receive that amount only for surgical cases, obtaining only seventy cents per day for medical cases. Three reformatories receive one hundred and ten

dollars per annum; one, one hundred and fifty dollars per annum; and one, two dollars per week. Seventy institutions receive appropriations aggregating $350,000 in bulk, i. e., upon no basis of payment for actual service performed. It may be doubted whether the spirit of the constitutional provision prohibiting the donating of public money in aid of private individuals and corporations (with an exception in favor of the support of the poor) is complied with in the case of the appropriations made in bulk to institutions, regardless of the quality or extent of the services rendered in consideration thereof. Furthermore, if the charitable work performed by an institution is of such a character as to make it impossible to measure the value of the services rendered to the city, it may well be doubted whether that work can be of such a character as to warrant the donating of public funds.

An examination of the returns made by institutions receiving appropriations in bulk from the city treasury shows that many of

them are using the public funds for purposes not authorized by the constitution. The constitution authorizes payments to be made for "care, support, and maintenance." The reports of a large number of institutions show the money annually obtained from the city carried forward wholly or in part as surplus. Different uses are made of this surplus, none of them, however, authorized by law, or warranted by a proper regard for the interests of the taxpayers. In some cases this surplus is used to pay off mortgage indebtedness, in others for permanent additions to buildings, or for increase of investments and endowment. In one case the manager of an institution frankly explained a remarkable falling off in disbursements (so great that its charitable activities were almost suspended) by stating that it was proposed by exercising great economy for a number of years to let the city's annual appropriations accumulate into a respectable building fund. The flagrant nature of this abuse is so apparent that argument is unnecessary.

III. Appropriations for dependent children have reached enormous proportions in the city of New York. Out of a total of $3,249,623.81 appropriated for private charities in 1899, no less than $2,216,773, or 69 per cent, is for the care and support of children. In no city in the United States will the number of children supported at the public expense compare, in proportion to the population, with the number so cared for in the city of New York. This may be partly accounted for by the extremes of poverty to be met with in the metropolis, especially among the foreign-born population, where the struggle for existence is so severe as to weaken the family ties ; partly by the rivalry and competition which has existed between the several institutions devoted to this kind of charitable work ; partly by reason of the fact that the rate paid by the city for the care of these children is such as to enable the larger institutions, in all probability, to make a small profit ; but to a considerable extent, also, from an in-

sufficient inspection by public officers for the purpose of ascertaining whether children are the proper subjects of commitment and detention—i. e., whether the parents are really unable to provide for them, and if so, whether the inability may not be of a temporary nature which would enable the child to be restored to its parents at an early date.

The care of dependent children is, in its relations to the interests of the State, decidedly the most important governmental problem involved in the field of charitable activity—second only, in actual importance, to the system of free public instruction, and of far more vital importance than that in its effect upon the dependent children themselves. Children are so largely the creatures of environment that it may fairly be said that upon the methods adopted by the institutions caring for them depends the question whether a considerable fraction of the whole population will turn out good or bad citizens. In the city of New York 50,-

638 children in private institutions are cared for at the public expense. This is one to every 68 of the estimated population of the city (3,438,899). This form of charity offers the greatest possibilities for constructive work. With the sick, the insane, the crippled, the blind, the deaf and dumb, and with adult paupers, there is but little hope of accomplishing more than an alleviation of suffering or want. In the receptive minds and bodies of children, however, there exists all the encouraging possibilities of rearing intelligent, moral, and healthful citizens. On the other hand, these very possibilities involve serious dangers. I am led by the importance of this subject to quote from the admirable work on American Charities, by Amos G. Warner, where the author, referring to the system of caring for dependent children in large institutions, says:

"There are many things to be said in its favor by those who have a really disinterested wish to benefit the dependents. The children receive many negative benefits.

They are not cold, nor dirty, nor neglected, nor hungry, nor abused—that is, if the management is good. The grosser forms of profanity and vice can be restrained; their attendance on school exercises is entirely regular, as are also their hours of sleeping and eating. But, admitting these advantages, we have said about all that is favorable to institution life for children. The congregating of them together, which we found in the case of infants to result in high mortality, results in the case of older children in a low vitality. Even a small institution is different from a large family. In the latter the children are of different ages; they have different opportunities for amusement—one imitates the other. In even a small institution, one with only eight or ten children, they are apt to be of about the same age, none of them especially ambitious, and with their opportunities for self-education very limited. In the large caravansaries, where hundreds or even thousands of children are congregated, their non-devel-

opment is very apparent. The fundamental fault is, perhaps, that life is made too easy. A child ought to have more opportunities of hurting himself, or getting dirty, or being insubordinate than can possibly be accorded to him here. It is a pitiful sight to see a hundred children together and none of them making a fuss. The discipline that would make a good soldier ruins a child. It is fatal to him to march in platoons, to play only at the word of command. As a matron in South Australia says, 'They [the children] never grow up properly if you have a lot of them together. I would never have children of two or three years of age there, for if they get into an institution they never develop into anything; they only grow up into half-idiotic men and women. However good a nurse you have, she can not draw out the intelligence of every child and nurse it as it would be nursed in a home. . . . We have only five now, and they are as bright again as when we had twenty.'

"How is a child to learn to use matches

if he lives in a building with steam heat and electric light? How will the child learn to cook in the ordinary home where nothing but great ranges are used for cooking? How learn to wash under ordinary circumstances where the laundry does work for one or two hundred people? What experience can a boy have here that would qualify him to bring in wood? How learn to carry water where there is nothing to do but turn the stopcock? How will the child learn to tell the time of day where everything moves at the stroke of a bell or the word of command? How obtain any appreciation whatever of the value of money, when everything comes to him as if the world had been arranged to provide him with each thing that he needs and just as he needs it? There is, in fact, no proper development of the child's inventiveness or individuality, or even of his ambitions. A hundred institution children deluged with toys at Christmas enjoy them less, and feel less gratitude, than the children of the indi-

vidual home, who have learned to long for things and learned to know in some sort what it cost to provide them.

"The fact already mentioned, that the child is never quite ready to leave the institution, tells strongly against this method. The neglect of superintendents to follow the subsequent careers of the children, and make careful statements of how they turn out, while readily explained, is very unfortunate. It is a well-known fact with institutions receiving older children—those of ten or twelve years of age—that inmates who have gone through a previous institution experience can not hold their own with those who come direct from the slums. Children who have grown up in infant asylums to the age of ten, must be classed with children of from six to eight, who even then go by them in classes and at work. I have known the matron to ask all those who had come from another institution for younger children to step out of line ; and they were distinctly flabby and undervitalized as com-

pared with the others. As the matron herself remarked, 'they are good for nothing!'

"A great part of the evils of institution life come from the mingling of individuals, none of whom have a very good heredity behind them, and some of whom have inherited weak constitutions and bad moral tendencies. It is a continual fight on the part of the matrons to repress skin diseases and sore eyes; and these contagious diseases are but typical of the contagious vices which are not so obvious, but more to be dreaded. That institution life is partly faulty because of the low grade of children who are received, and who bring about degeneration in each other, is proved by the experience of institutions that have introduced an element of artificial selection, which separates the low from the more highly organized. At Girard College and at the McDonough School, where the attempt is made to get boys from respectable families, and where any boy who can not carry his studies or will not obey the rules is promptly dismissed, there has ob-

tained an *esprit de corps*, an ambition, among the inmates, which is utterly impossible in those institutions that take all comers, without reference to capacity. Especially at the McDonough School, where boys are admitted only on competitive examination and where admission is a prize worth working for, the whole atmosphere of the place shows the difference. Some of the most capable and ambitious young men in Baltimore come from that school.

" It should also be said that institution life has been greatly improved by the introduction of kindergarten work for the smaller children, and industrial training for those of maturer years. But the trouble is, that in the great majority of cases the expense of giving such work properly leads to the mere pretense of giving it—going through the motions of industrial training without the spirit of it, or managing a kindergarten in a way that makes the child completely dependent upon somebody else for all its possibilities of play and enjoyment. It is not suffi-

ciently understood that a poor kindergarten stultifies the child, and that manual training which is not well conducted has no virtue in it."

I have referred at some length to this subject, not because I am convinced that it will be practicable to effect any radical change in the conditions which now exist, but simply to emphasize the fact that the rearing of large numbers of children in either public or private institutions is in itself an evil—a necessary evil, and likely to continue as long as there are extremes of poverty, but still an evil, and not to be fostered by subventions of public money in unnecessary cases, when parents are really able to provide for their support.

To build, equip, and maintain public buildings for the care of dependent children seems to me entirely impracticable. Regardless of the matter of expense, which would be enormous, all the disadvantages of the "institution system" would still continue, and it is not likely that public employees

could be obtained who would rear children as economically, as efficaciously, or with the same devotion and self-denial as is the case with the religious orders and associations now performing this work, in many respects so successfully. The care of these children by direct governmental agencies being therefore, in the city of New York at least, practically impossible, and it being recognized that the present system is likely to continue for many years, if not permanently, the most should be made of it.

With the religious training of children the city has nothing to do. Their moral training may also be safely left to those now responsible therefor. On the other hand, the State is vitally concerned with their mental and physical development, and visitation and control for the purpose of maintaining a proper standard in these respects is essential. Some years ago, the sanitary and hygienic conditions affecting a certain alleged charitable institution caring for children in this city were widely known to be scanda-

lous, and the local authorities were powerless to correct these evils until, finally, through the intervention of the Board of Health, the institution was closed. Where conditions like these exist they should be corrected at once through a proper system of inspection, and not allowed, as in the instance cited, to continue for years. This duty of inspection has since 1894 devolved upon the State Board of Charities; but the field of that Board is so vast, and its appropriations so limited, that it would seem highly desirable to have its work supplemented by the local authorities.

The rules of the State Board of Charities provide that no destitute child or adult, committed by any court or magistrate, shall be retained in any institution as a public charge unless accepted in writing as such by the officer charged with the support of the poor (in New York city a Commissioner of Charities). In 1896 the Department of Public Charities appointed five examiners of dependent children for the purpose of investi-

gating the circumstances of parents of children committed to institutions. The effect of this rule and the appointment of these examiners was quite remarkable. Whereas from 1874 to 1894 the number of commitments increased one hundred and thirty-three and nine tenths per cent, as against an increase of population of seventy-five and six tenths per cent, the payments made by the city thereafter showed the following *decreases* from the payments made in 1894:

1895	$38,108.31
1896	98,874.79
1897	151,565.87

The flagrant nature of the abuses which formerly existed in regard to the unnecessary detention of children (and which still doubtless exist to a considerable extent) was forcibly illustrated in the Twenty-fifth Annual Report of the State Charities Aid Association.

I believe and recommend that this system of inspection should be made more thorough, and that provision should be made for the

appointment in the Department of Public Charities of five additional inspectors for this purpose in the boroughs of Manhattan and the Bronx, and three in the boroughs of Brooklyn and Queens. This system could be, furthermore, well supplemented if every institution caring for more than two hundred and fifty children were required (as the Five Points House of Industry does voluntarily) to employ for every five hundred children (or major fraction of five hundred), one visitor to ascertain the circumstances of the parents, and to return the children to such parents in proper cases. The reports of these visitors should be made periodically in triplicate, one copy to be filed with the Department of Public Charities and one with the Department of Finance.

An improvement in the manner of committing children might also be obtained through the co-operation of the City Magistrates, if these officers would join in referring all applications for commitments on the score of destitution to the Commissioners of Char-

ities, acting themselves only in cases of neglect, cruel treatment, improper guardianship, or involving in some way the commission of a crime. The reasons for such a course have been well stated in a report issued by the State Charities Aid Association, dated April 25, 1899.

I do not recommend any material change in the rates paid by the city for dependent children, except that the inequalities therein existing be now abolished and uniform rates established, viz.: Two dollars per week for all children over two years of age, and thirty-eight cents per diem for infants under that age, these being the amounts now paid in a large majority of instances.

IV. The subsidy system probably finds its greatest abuse in the case of medical charities. The work of medical charities falls within two great subdivisions, indoor and outdoor relief—the latter generally performed by dispensaries or by hospitals with dispensary attachments.

The city maintains its own hospitals,

while at the same time subsidizing private institutions which compete with them. During the last few years great improvements have been made in the city hospitals, but their condition is still capable of considerable further improvement. While sometimes overcrowded, it frequently happens that the city hospitals are not filled to the limits of their capacity, and it would seem as though the city should not deal with private hospitals except as subsidiary aids or adjuncts to the public institutions. It stands to reason that so long as there are vacant beds in the city hospitals, and the city is at the same time subsidizing private hospitals at a cost greater than the expense of caring for patients in its own institutions, a wrong is done to the taxpayers. If private hospitals are to receive public assistance at all, it would certainly seem that payments should be made only at some uniform rate, approximately the same as the cost per capita of maintenance in the public institutions (not including the cost of general administration, which would

be constant in any event). The New York Medical League has for some years past strongly attacked the policy of granting public subsidies to private hospitals and dispensaries. The chief points of attack have been the claims (1) that many of the hospitals receiving public money are really business enterprises, the hospitals being merely necessary clinical attachments to medical schools, which would have to be maintained for the proper teaching of students, even if the city contributed nothing to their support, and which are worth more to the medical schools than the cost of maintaining them; (2) that the books of twenty-two hospitals receiving public aid show an annual surplus in excess of the amounts received from the city (i. e., if the city appropriations were withdrawn they would still have balances to their credit); and (3) that dispensaries do not exercise proper care in confining their activities to those who are really indigent, but promote pauperism by treating free those who are well able to pay for treatment.

It has been attempted to discredit the efforts of the New York Medical League by asserting that these efforts were due to selfish professional interests; but even if this be admitted as true, it constitutes no answer to such of the charges as are found to be substantiated by the facts. Many, if not most, ameliorations in governmental conditions are obtained through the efforts of those specially interested for their own welfare, and if the claims of the New York Medical League are true, it would be absurd to ignore them merely because the medical fraternity and the druggists might obtain peculiar benefit from the checking of a public abuse.

That these claims are in the main true, I have become thoroughly convinced. From such personal examination as it has been possible to make, from statements made by reliable individuals well fitted to give expert testimony, and from an examination of authorities on the subject, there would seem to be little doubt that the subsidy system finds its worst abuse in the case of medical char-

ities. Foreign experience amply confirms this view. Sir Morell Mackenzie expressed the opinion that the "out-patient" work of a large hospital was "the greatest pauperizing agency existing in England."

"The Medical Times has said that 'the amount of gratuitous work done by the profession in no way raises it in public estimation. It is well known that it is not performed from motives of charity, but from the position that is gained by being attached to a hospital staff, and the hope of a good practice accruing therefrom.' The British Medical Journal says 'hospitals compete with each other as to the number of patients, without regard to the fitness of the cases or the position of the applicants.' In the Children's Hospital of London, where the rule was adopted of referring all applicants to the Charity Organization Society, and where no patients were excluded, provided that the parents were making less than thirty shillings a week, there was found an abuse-rate of fifty-seven per cent. In the London Hos-

pital, when an inspector was appointed for the outdoor patients, there was a reduction in twelve months of 7,311 patients, which brought about a saving of some $7,000 in one year to the charity. At this hospital the abuse-rate was about fifty per cent. See Rentoul, Voluntary Medical Charities." *

Out of 1,500 cases of dispensary treatment investigated by the Charity Organization Society, only one half were recommended as worthy of medical charity by reason of poverty. In a valuable report made in 1897 by a special committee of the New York County Visiting Committee of the State Charities Aid Association, the daily cost per capita of maintaining free patients in fourteen private hospitals is given. This cost varies in remarkable degrees, running from thirty-five cents, in the case of St. Mark's Hospital, to $3.65 in the Homœopathic Medical College and Dispensary. The cost in Roosevelt Hospital is stated to be $1.92; in the Mount Sinai Hospital, $1.33, and in

* Warner, American Charities, Note 1, p. 245.

the German Hospital, $1.13. The average for the fourteen hospitals is $1.56. It is likely, however, that special conditions affecting certain of these hospitals render the statistics not altogether reliable.

In Bellevue Hospital the daily cost per capita of patients is 74.94 cents, excluding salaries, and $1.0465 including salaries. The following statement shows the daily cost per capita in the principal institutions of the Department of Public Charities in the boroughs of Manhattan and the Bronx for (1) patients and (2) all inmates:

	INCLUDING SALARIES.		EXCLUSIVE OF SALARIES.	
	Inmates.	Patients.	Inmates.	Patients.
Almshouse	.1680	.1799	.1416	.1490
Bellevue Hospital (only)	.5790	1.0465	.4146	.7494
Bellevue Hospital and dependencies	.6053	1.1234	.4325	.8025
Fordham Hospital	.8580	1.9010	.5964	1.3207
Gouverneur Hospital	.7176	1.5548	.4895	1.0607
Harlem Hospital	.7407	1.6713	.5456	1.2312
City Hospital (including Training School)	.4051	.5819	.2764	.3970
Metropolitan Hospital (including Training School)	.3922	.5245	.2885	.3858
Randall's Island Asylum and School	.2783	.3352	.1945	.2346
Randall's Island Infants' Hospital	.4370	.8834	.2653	.5363

It does not seem as though per capita payments to private institutions should exceed the cost of maintaining patients in the city hospitals, and I think that the maximum rate should be seventy cents a day for medical cases and one dollar for surgical cases. All cases of needy patients intended to be a charge upon the city should be immediately reported to the Department of Public Charities, and no payments should be made by the Comptroller except for such cases as have been accepted by that Department and certified as proper charges against the city treasury. It is also my opinion that the Commissioners of Public Charities should, except in emergencies, decline to accept cases as proper charges against the city treasury when beds in the public hospitals available for the proper treatment thereof are vacant. In the boroughs of Brooklyn and Queens, where the accommodations are inadequate in the one public hospital, it is likely that for some time to come payments to private hospitals will continue to be con-

siderable in amount. In Manhattan and the Bronx, however, it would seem that such payments should properly be reduced to a comparatively small figure.

The unsatisfactory results of the competition referred to between public and private medical charities are particularly marked in the case of maternity hospitals. Not counting the hospitals which receive maternity cases in emergencies only, there are sixteen institutions in the boroughs of Manhattan and the Bronx devoting especial accommodations to this purpose. Of these, eight are maternity hospitals only and receive no other patients. Three of these eight are public hospitals, and of the other five four are dependent to a considerable extent on assistance from the public treasury.

In a recent report made to the State Board of Charities by one of its inspectors reference is made to the fact that the maternity system in New York city is in process of readjustment, the large wealthy medical maternities, such as the Sloane and the

Society of the Lying-in Hospital, drawing away patients from both the city institutions and the smaller maternity hospitals. The latter institutions, says this report, "require certain moral qualifications for admission, tending to bar out many applicants. But the city hospitals have no such qualifications and are just as empty. The City Maternity on Blackwell's Island has an excellent service—a great deal better as regards cleanliness and comfort than are some of the private institutions to which the city is paying per capita for maternity cases—yet on November 22d there were just 7 patients in the wards, which accommodate 30, and 29 women in the waiting women's quarters, where there is room for 45. The Metropolitan, on the other end of the island, was in practically the same condition."

Considering the high standard maintained in the maternity wards of the public hospitals, and bearing in mind the fact that the capacity of these wards is about to be increased by the approaching completion of

the new Gouverneur Hospital, that the supply of beds for these cases in both the public and private hospitals of the borough of Manhattan largely exceeds the demand, there is no reason why the city should pay at all for private service which it is able to render with equal or superior efficiency in its own institutions.

In the borough of Brooklyn, however, the conditions are almost exactly the opposite. The maternity ward of the Kings County Hospital has been for years past filled to the limits of its capacity, and there are no large medical maternities comparable to those in Manhattan. Owing to the conditions existing in the borough of Brooklyn, it will probably be necessary to continue to appropriate money for maternity relief, but if the Commissioners of Charities exercise a wise discretion in accepting such cases as charges against the city treasury, and a more reasonable uniform rate be established of, say, $18 per case instead of $25, and $12 per month for homeless mothers nursing

their own infants, it is believed that this subject will be freed from past abuses.

While on this subject, I can not refrain from commenting on the great improvement recently made in the management of the city hospitals, and the need for still further progress and possible extensions. It is gratifying to note that recent reports of the State Charities Aid Association have freely given due credit for this improvement, and I believe that if the Board of Estimate and Apportionment continues its policy of liberality in appropriations for the Department of Public Charities the hospitals maintained by the city will soon be brought to the highest standard of efficiency. The old and vicious system of employing workhouse help has been almost entirely done away with, and I hope that a final end to that system may be made with the ensuing year. The year 1900 will see the opening of the new Gouverneur Hospital and the new addition to the Kings County Hospital. If only a small part of the money that can be saved by reforms in

the subsidy system be devoted to much-needed repairs and alterations to some of the older city buildings the cause of practical charity will be greatly advanced.

In regard to dispensaries attention is called to the elaborate report submitted by the committee of the New York Medical League, from which it appears that a large number of the dispensaries receiving public moneys are well able to forego that assistance.

If the city is to continue the practice of subsidizing dispensaries—and I must admit that the policy of this course seems at least doubtful—payment should be made only for cases where the character of the applicant has been established by a proper system of inspection. It is useless to deny, however, that there are serious practical difficulties in the way of securing a proper inspection of this character. By Chapter 368 of the Laws of 1899, the State Board of Charities was vested with supervisory jurisdiction over dispensaries, and in June, 1899, I addressed

a letter to that Board, recommending the consideration of certain suggestions made by Dr. F. R. Sturgis in regard to the payment of public moneys to these institutions. These recommendations are, in brief, that the work of the several dispensaries of the city be limited to certain districts with the view of preventing an unnecessary duplication of work, and that the cases treated by dispensaries should be certified to the State Board of Charities, which Board (by means of inspectors of its own appointment, but paid for by the dispensaries) would inspect such cases and certify such of them as are proper charges against the city to the Comptroller's office for payment.

In the event of this plan being deemed impracticable—and thus far I have received no assurance from the State Board of Charities that it will be carried into effect—I suggest that the amounts allowed to dispensaries be limited to fifty per cent of the amount received from private benevolence during the fiscal year last preceding the year

in which the budget is made, the amount allowed in any one year, however, not to exceed by twenty-five per cent the amount allowed in the preceding year,* and in no case to exceed fifty per cent of the amount actually disbursed for dispensary purposes. Fourteen hospitals in the borough of Brooklyn have dispensary attachments for which public appropriations have heretofore been made, but the finances of these dispensaries not being kept separate, it is impossible to apply the foregoing rule. In these cases I would recommend, as a temporary measure for the ensuing year only, that one half the amounts allowed by Section 230 of the charter be granted for the year 1900.

V. In regard to homes for the aged, it would seem that they are properly a subject for private charity exclusively. The State, through its several municipal subdivisions,

* Such a proviso would seem to be necessary to guard against the possibility of having to make an abnormally large appropriation in the case of a dispensary receiving a large legacy.

cares for the helpless aged in almshouses. It is true that a prejudice exists against going to the almshouse, and that such an end is a sad one for those who have led respectable lives; but it should also be noted that the stigma of allowing a relative to go to the almshouse is in many cases a strong incentive toward inducing persons to support their aged relatives at their own expense, whereas the same persons would seek to have such relatives admitted to a private home for the aged, to which no such stigma attaches. Dr. Warner cites the case of "an abandoned woman who supported her mother for years rather than permit her to go to the poorhouse, but who was trying all the while to get her admitted to a 'private' home for the aged." Such instances are so common as to be within the personal knowledge of many. In a certain sense, therefore, these institutions may be said to encourage pauperism. At all events, in view of the fact that the public maintains almshouses for just this class of dependents, it would seem

that homes for the aged should be exclusively the subject of private benevolence, and I therefore recommend that no allowance of public moneys be made to such institutions after the year 1900, and that for said year one half the amounts allowed for 1899 be granted, with the view of enabling institutions accustomed to depend upon donations of public money to adjust their finances to new conditions.

VI. The number of blind, ruptured, crippled, and deaf and dumb persons in the community being strictly limited, the opportunities for abusing this form of charitable relief are comparatively small. In the case of one institution the inspectors of the Department of Public Charities found that patients were being forwarded to New York for treatment from the far Western States, and that claims were being made upon the city treasury for their support. This practice, however, can be checked by a system of proper inspection and audit, and does not seem to require any special action

on the part of the Board of Estimate and Apportionment.

VII. In the case of reformatories I am not aware that the subsidy system is the subject of any special abuse, and I recommend that to the institutions heretofore receiving city money there be paid the prevailing rate fixed by existing legislation—i. e., $110 per annum for each female between the ages of fourteen and twenty-one years.

VIII. It has been the practice for some years past, both in the cities of Brooklyn and New York, to donate annually lump sums of money to charitable organizations performing work of a miscellaneous character. In New York these amounts have been for the most part comparatively small, and principally derived from the Theatrical and Concert License Fund. In Brooklyn the amounts have been larger, and were obtained originally from the Excise Fund, and later directly from the budget. I recommend that this practice be discontinued.

The charter itself contains stringent prohibitions against the distribution of outdoor relief by the Department of Public Charities, and the spirit of these provisions is against accomplishing the same result in an indirect manner. Many of these recipients of public funds devote themselves exclusively to outdoor relief, and an examination of the purposes of some of these organizations shows that however proper these may be as the result of private benevolence, they are extremely improper objects of the public bounty. In the case of such of these institutions as perform work capable of classification with the well-defined objects of charitable activity which the city has systematically assisted by subsidies in years past, and which can be paid for on a per capita basis or on some other definite system of payment, I recommend that the latter system be applied. In the case of institutions whose work can not be so classified and treated, I recommend that payments be discontinued:

(1) Immediately in the case of those organizations which have in the boroughs of Manhattan and the Bronx received from year to year various and uncertain sums from the Theatrical and Concert License Fund, with one exception hereafter noted; and (2) gradually in the case of similar organizations in the borough of Brooklyn, for the reason that their claims having been recognized by statutory enactment, they have been led to expect, with more or less confidence, a continuance of public aid, and an opportunity should be given to adjust themselves to the new conditions. In such cases I recommend that in the budget for the year 1900 one half the amount be allowed that was granted for 1899, and that thereafter the allowance be discontinued.

The one exception mentioned in the case of institutions which have shared in the distribution of the Theatrical and Concert License Fund is the "Actors' Fund of America." It has been the consistent practice of the Board of Estimate and Apportionment

for many years to grant to this charity exactly one half of the amounts received by the city from theatrical licenses, and to withdraw immediately the whole of this substantial appropriation would work considerable hardship. In order to enable its trustees to accommodate themselves to the changed conditions, I recommend that for the year 1900 one half of the amount allowed in 1899 be appropriated, and that thereafter this grant be discontinued.

There are still left for consideration a number of institutions whose claims to the receipt of lump sums rest on special statutory enactments. Some of them—notably the Children's Aid Society and the American Female Guardian Society—perform work eminently worthy of public assistance, and in some cases I believe it will be possible to make provision therefor on a per capita basis.

I addressed letters to the managers of these institutions requesting the submission of suggestions for establishing a system of

per capita or other measured payment, but, as in a majority of cases the replies have not been received at the date of this report, and the subject is one demanding careful detailed treatment, I will present hereafter a supplemental report in regard thereto.

I am conscious that this is far from being an adequate presentation of facts in regard to a public question of the highest importance. The subject is full of difficulties and likely to give pause to the expression of ready opinions on the part even of those who have become familiar with it from years of experience. In submitting this report to the Board of Estimate and Apportionment at a date well in advance of the time of acting on the budget for the ensuing year, it is hoped that the opportunity for free criticism and discussion will result in supplying such omissions and correcting such errors as may have been made.

Finally, I submit herewith a preamble and resolution designed to regulate the disbursement by the Comptroller of moneys

appropriated for private charities. The law seems to vest a large measure of discretion in the Comptroller in regard to withholding such appropriations in improper cases, but I believe it would be altogether safer and better to adopt this resolution and then to make all appropriations in the budget for private charities dependent upon compliance with the rules embodied in said resolution.

The Resolution

Whereas, Chapter 196 of the Laws of 1899, amending Section 230 of the Greater New York charter, in relation to the appropriation of public moneys to private charitable institutions, provides that the Comptroller is authorized to pay the sum appropriated to each institution upon its appearing to his satisfaction, in such manner as he shall prescribe, that the expenditure thereof by the institution is lawful and proper; and

Whereas, The matter of appropriating public moneys to private charitable institu-

tions is by said Chapter 196 of the Laws of 1899 made discretionary with the Board of Estimate and Apportionment;

Resolved, That the Board of Estimate and Apportionment hereby determines and declares the following as the terms and conditions upon which public moneys shall be disbursed by the Comptroller to private charities for which appropriations may be made in the budget:

1. The accounts of all charitable institutions receiving public moneys shall be so kept as to show the receipts of and disbursements from public moneys separately from the other funds of such institutions, and all institutions shall keep an exact record, to be corrected from time to time, in a form to be approved by the Comptroller, showing the addresses of the parents, guardians, or nearest relatives of inmates, and other information designed to facilitate inquiry into their financial inability to provide for such inmates.

2. Moneys received from the city treasury shall be used by such institutions only

for annually recurring expenses of "care, support, and maintenance."

3. All institutions receiving public moneys shall be at all reasonable times open to the visitation and inspection of duly authorized representatives of the Department of Public Charities and the Department of Finance.

4. Upon its appearing to the satisfaction of the Comptroller that it would be to the public interests to withhold payments to any charitable institution for which an appropriation has been made, he shall give written notice to such institution of his intention to so withhold such payments, and the right of such institution to receive payment for services rendered thereafter shall thereupon cease.

5. All institutions caring for or supporting more than two hundred and fifty dependent children shall employ at least one visitor for every five hundred children or major fraction of that number, whose duty it shall be to examine into the ability of the

parents or guardians of such children to support them in whole or in part at their own expense, and to make report thereon at least once every six months to the Department of Public Charities and the Department of Finance. Whenever it shall appear from such reports or from investigation made by representatives of the Department of Public Charities or the Department of Finance that the parents or guardians of such children are financially capable of their support, such children shall be forthwith returned by such institutions.

6. No payments shall be made for inmates of private charitable institutions unless the same shall have been accepted by the proper Commissioner of the Department of Public Charities as a proper charge against the city.

7. Institutions carrying on industrial enterprises in which inmates are required or permitted to work, shall keep records showing the financial results of such work, the methods by which products are sold, and whether below current or market prices for

such products; also, separately, the earnings per capita of inmates wholly or partly maintained by the public funds.

This plan of correcting the abuse of public charity received the unqualified approval of many men of vast experience in such work. The Board of Estimate made all appropriations for private charities in 1900 subject to these conditions:

"1. The accounts of all charitable institutions receiving public moneys shall be so kept as to show the receipts of and disbursements from public moneys separately from the other funds of such institutions, and all institutions shall keep an exact record, to be corrected from time to time, in a form to be approved by the Comptroller, showing the addresses of the parents, guardians, or nearest relatives of inmates, and other information designed to facilitate inquiry into their financial inability to provide for such inmates.

"2. Moneys received from the city treasury shall be used by such institutions only

for annually recurring expenses of 'care, support, and maintenance.'

"3. All institutions receiving public moneys shall be at all reasonable times open to the visitation and inspection of duly authorized representatives of the Department of Public Charities and the Department of Finance.

"4. Upon it appearing to the satisfaction of the Comptroller that it would be to the public interests to withhold payments to any charitable institution for which an appropriation has been made, he shall give written notice to such institution of his intention to apply to the Board of Estimate and Apportionment for authority to so withhold such payments, and upon the determination of said Board that such payments should terminate the right of any such institution to receive payment for services rendered thereafter shall thereupon cease.

"5. No payment shall be made for inmates of private charitable institutions unless the same shall have been accepted by

the proper Commissioner of the Department of Public Charities as a proper charge against the city, and, except in emergency cases, Commissioners of Charities shall not accept as proper charges against the city inmates capable of paying for their own support or for whose care adequate provision can be made in public institutions. The city shall not become liable for any payment to a charitable institution in excess of the appropriation which may have been made to such institution."

CHAPTER IV

INCOME AND EXPENSES

Financial Effects of Consolidation—Revenue from Public Improvements.

THE financial effects of consolidation have not, so far, been entirely satisfactory.

It is safe to say that when the question of the Greater New York consolidation was presented to the people for ratification the predominating influence which secured a favorable vote was one of sentiment. The idea of bigness was attractive, and by the large majority of citizens who voted for consolidation it is probable that little thought was given to any other consideration than the sentimental advantage of placing New York foremost among the great capitals of the world in respect to size.

But history will not judge the wisdom of consolidation in this light. History will ask: Has consolidation made living in the city of New York healthier, securer, happier, and more profitable? As it has added to or detracted from the sum of human welfare in the metropolis, so shall it be judged. To give a complete answer to this question would be far beyond the limits of this brief work, even were such an answer possible at this time.

It may be profitable, however, to discuss certain important effects of consolidation which time has now made sufficiently manifest, and of these the financial problem is perhaps the most important.

The effect of consolidation upon our municipal finances may be summarized under two heads:

First. In regard to the annual taxes levied upon the taxpayers;

Secondly. In regard to the ability of the city to undertake permanent public improvements by the use of its credit.

The city's annual taxes represent, or should properly represent, only what in a private corporation would be called expenses of "maintenance and operation." Interest on the funded debt with the necessary Sinking Fund installments for its redemption, State taxes, the expenses of the Police, Fire, Health, and Street Cleaning Departments, the maintenance of the Public School system—these are among the most important items of expense of an annually recurring character which must be met by annual taxation.

In 1896, when the proposition of consolidation was before the people for discussion, I remember reading a letter in the Evening Post, by a well-informed student of public affairs, in which the statement was made that consolidation would mean the imposing upon the taxpayers of Manhattan Island of an additional burden of $6,000,000 per annum. A permanent charge of this character was equal—so it was claimed—to a lump sum payment by the issue of bonds

of $200,000,000; since such an issue, if made, would only carry with it an annual interest charge of about $6,000,000. And then this correspondent went on to argue that $200,000,000 was a pretty stiff price for Father Knickerbocker to pay for the privilege of gratifying a sentiment for bigness.

Experience has shown these figures to have been prepared with remarkable accuracy. Consolidation does mean that the borough of Manhattan must assume an additional annual burden of at least $6,000,000 directly attributable thereto. The actual figures are somewhat in excess of this amount.

Such a price ought to carry with it compensating advantages; if not to the taxpayers of Manhattan Island, at least to the inhabitants of the surrounding boroughs, whose proximity has in such large measure caused real-estate values south of Forty-second Street to rise to abnormal figures. Can these compensating advantages be found? To a certain extent it is possible to

answer this question in the affirmative. Part of this charge of $6,000,000 per annum represents a lightening of taxation in the borough of Brooklyn. The tax rate in that borough in 1899, based upon an assessed valuation substantially unchanged from 1897, was the lowest in seventeen years. The actual tax levy in Brooklyn for 1899 was $1,680,627.11 less than the tax levy for the preceding year. This last-named figure, however, is far from offsetting the $6,000,000 referred to.

Taxation has not been appreciably lightened, if at all, in the boroughs of Queens and Richmond. To what is the unaccounted-for difference attributable? It is mainly attributable to the substitution of an expensive form of government for a less expensive one in the borough of Brooklyn; to the same substitution—in this case wholly unnecessary—of an expensive, highly developed metropolitan government for rural township government in the boroughs of Queens and Richmond.

The organization of city departments provided for in the Greater New York charter is based upon the provisions of the old New York City Consolidation Act of 1882. The Departments of Street Cleaning, Highways, Sewers, Bridges, and Public Buildings are, by the charter, supposed to supply the same wants in the outlying rural districts that are met with on Manhattan Island. This is waste, pure and simple.

Comparing the budgets of the former cities of New York and Brooklyn, it will be found that the largest department appropriations were required for police, fire, and educational purposes. Practically, all these large expenditures are for salaries. In each of these cases the salaries paid in Brooklyn were much less than in New York. I will not discuss the question whether the salaries were too low in Brooklyn or too high in New York. In passing judgment on this question, however, it can not be forgotten that the cost of living in Brooklyn, especially in the item of rent, has always been and is now

much lower than in Manhattan. Wisely or not, the charter framers would not recognize a difference in these conditions, and provision was made for an equalization of salaries by increasing them in Brooklyn and elsewhere to the standard already fixed in the most highly developed urban locality. When it is borne in mind that the charter provided for the substitution of patrolmen receiving salaries up to $1,400 per annum for village policemen at $500 per annum, and for town constables who received only trifling fees for their services, it will be seen that an enormous additional expense was incurred by these means.

What has been said in regard to these three departments applies with almost equal force to others. The form of government applicable to thickly settled urban communities is essentially inapplicable to suburban localities, and correspondingly wasteful. I fear that in this respect at least the charter has imposed upon our taxpayers an unnecessary burden, which may perhaps bring about

advantages in the future, but scarcely to a compensating degree.

When we touch upon the second financial result of consolidation—the use of the city's credit for permanent public improvements—we enter into a still more important field.

Recent public discussion has doubtless made the fact quite familiar that the constitution of the State limits the indebtedness of municipalities, no matter how incurred, to ten per cent of the valuation of real estate as assessed for purposes of taxation. An exception is made in favor of bonds issued to provide for a supply of water, which may be issued in excess of that limitation, provided a special sinking fund for their redemption be established.

I do not mean to dwell upon the debt limit difficulties which beset the financial administration of the new city of New York during the first eighteen months of its existence. I believe the causes of this unfortunate state of affairs are sufficiently

well understood. It is enough to state that, after eliminating all indebtedness concerning which reasonable doubts might exist as to the applicability of the constitutional limitation, the new city began operations burdened by a debt considerably in excess of the ten-per-cent limit. In other words, the city was theoretically, though not of course practically, bankrupt. It had exhausted its credit, and could only continue in business on a system of cash payments. These difficulties have thus far been surmounted—first, by a large increase in the assessed valuation of real estate, principally in the boroughs of Manhattan and the Bronx, and secondly, by the adoption at the recent election of the constitutional amendment eliminating county indebtedness from computation in ascertaining the debt limit of the city.

The point I wish to make is that consolidation, with its enormously increased public duties and responsibilities, instead of carrying with it an increase in the power to

issue bonds to meet those responsibilities, actually brought about a diminution of that power.

I hope that this reference to the increased public duties and responsibilities resulting from consolidation will not be regarded as mere phrase-making. This change in conditions is a real one and vital, as a single illustration will show.

Prior to consolidation, the building of a sufficient number of bridges across the East River was regarded as a pleasant dream, belonging, as a great English novelist has said, "to the avenue of wishes leading to the golden mists beyond imagination." To-day how different are the conditions! If Greater New York is to be one city in fact as well as in name, intercommunication between its several boroughs must be made as easy as physical conditions will permit, almost regardless of cost. If consolidation had really any sensible meaning or purpose, that purpose was the upbuilding of a city of homes at more equal distances from the cen-

ter of commercial activity. Prior to consolidation these bridges were but dreams, because the taxpayers of Manhattan Island would not build them, and the communities on the other side of the East River could not. To refuse now to build bridges or tunnels would mean to declare that consolidation had failed of its most important practical object. Yet the cost of bridges is enormous. Including the land necessary for approaches, $12,000,000 each is a moderate estimate of their average cost.

The demands made to-day upon the public purse for public improvements in the great modern cities of the world would astound the publicists of past generations. The ever-increasing cost and complexity of urban life is nowhere better exemplified than in the demand for increased assumption of public utilities by government. A city that does not respond to this demand is provincial—is not a metropolis. Paris has been regarded as the typical modern city. It certainly was the first to make widely ex-

tended use of its credit for public improvements. And this fact has, by most observers, been cited with approval, and as a cause of its greatness.

How does the bonded debt of the city of Paris compare with that of New York?

The present net funded debt of the city of New York is $253,000,000; the bonded debt of Paris is in round figures 2,000,000,000 francs, or, say, $400,000,000.

Yet New York of to-day is incomparably the richer city, and better able to sustain the larger debt.

In the argument I am about to make for a more liberal policy affecting the city's power to issue bonds I wish to state clearly my appreciation of and adherence to the wisdom of constitutional restrictions on the indebtedness of cities. These restrictions are to be found in the constitutions of nearly all our States, and have been upheld both in letter and in spirit by the decisions of our courts. They have undoubtedly served to prevent the financial ruin of many

small cities, which in the hands of unscrupulous political adventurers would otherwise have undergone the same disastrous experiences as befell the city of Elizabeth in days gone by. Yet this constitutional limitation has itself its limitations. It should not be made a fetich to be worshiped blindly at the expense of really necessary progress.

In the competition which exists to-day between nations and cities as well as between individuals, to stand still means to retrograde, and if it should happen that a choice must be made between stopping the modernization of New York and amending the constitution, I am in favor of the latter course, provided no real danger to the city's credit and solvency be thereby threatened.

I believe this clause in the constitution —wholly admirable at the time it was written—is not altogether adapted to modern requirements in that it does not discriminate sufficiently between two classes of city debts of a wholly different character.

A city issues bonds only for permanent improvements, the benefits of which inure to posterity. But there are two classes of these improvements, easily distinguishable from one another, and between which a sharp distinction should be drawn.

In one of these classes are improvements which, while adding to the attractiveness, beauty, and healthfulness of a city, to its economical administration, or to the better conduct of its governmental functions, bring in no direct financial returns. This is by far the more numerous class, and includes such ordinary works as the erection of public buildings, including schools, the acquisition of parks, and the repaving of streets. No matter how great the material benefits may be that are derived from such improvements, the expense incurred is unquestionably a financial burden upon the taxpayers. In regard to such expenditures there can be no doubt as to the wisdom of establishing an arbitrary constitutional limit, since otherwise the burdens that might be thrown upon

succeeding generations by excessive issues of bonds would become intolerable.

There is another class of improvements, however, far less commonly met with, which either result in casting no burdens whatever upon the taxpayers, or else bring in an actual profit to the municipality. In such cases it may be permissible to ask where lies any rational excuse for limiting the governmental activities of a city by constitutional restrictions. A dim recognition of this truth seems already to have found expression in the constitution, which specifically excepts from the operation of this limitation bonds issued to provide for the supply of water, and requires only that a special sinking fund be established for their ultimate redemption. Why this exception? Because pure water is a prime necessity for the health of a community? Scarcely; for there are many other public necessities paid for by the issue of bonds which are hardly less imperatively needed by the people; and as to these the constitution is silent. The

reason must be found in the fact that, for the past century, by the universal custom which has the force of unquestioned law, it has been the practice of cities owning water-works to charge consumers for the water supplied, and that the rentals received from the operation of this natural monopoly have almost invariably shown a profit over the expense of maintenance and operation. In other words, bonds issued to provide for the supply of water are not a real burden upon the taxpayers, since the water rents received pay the interest on these bonds, amortize the principal, and still yield a profit to the city.

If, as I believe, this principle is absolutely sound, there is no reason why in these days of highly developed municipal functions it should be limited to the matter of water supply simply because generations ago that constituted the only form of municipal ownership known to our forefathers. I will try not to wander too far into the seductive field of municipal ownership; but there are

two illustrations of the principle I have just alluded to which are practical questions of the day. I refer to the construction of the Rapid Transit Railroad and the proper development of our Dock system.

As you are doubtless aware, the contract for the construction of the Rapid Transit road provides for its completion by the contracting company for a specified sum to be named in the bid. This sum is to be paid by the city to the contractor from time to time as the work progresses, by the issue of bonds. The same contracting company is bound by the terms of the contract and under heavy bonds to operate the road for a term of fifty years, paying to the city as rental the annual interest on the bonds issued and one per cent additional for the purpose of establishing a sinking fund for the liquidation of the bonds at the expiration of the lease. Thereafter the road becomes the unincumbered property of the city.

A more advantageous contract can scarcely be imagined. Here is a case where the

bonds issued by the city are in no real, practical sense a debt at all. There is absolutely no burden thrown upon the taxpayers; on the contrary, the city will ultimately acquire without cost an asset of inestimable value. Why should the constitution hinder the city from entering into enterprises of this character?

The question of the development of our Dock system is, in the opinion of many, even more important than the construction of the Rapid Transit Railroad. No one who is impartial and has really studied the matter can seriously deny that the municipalization of the New York city docks, tardily and insufficiently as it has been carried on, has been advantageous to the city. No city in the world is circumstanced similarly to New York in respect to its water-front privileges. But the acquisition of dock property by the city has proceeded at a snail's pace. In the fierce commercial competition which exists to-day between the great ports on the Atlantic coast of this country New York has been badly handicapped by lack of wharfage room

and transportation facilities incidental thereto. So grave has the situation become that a State Commission has been created to examine into the causes of and remedies for the decline in the commerce of this port. A danger of this kind defies exaggeration. All else we might lose, but the loss of our commercial primacy spells disaster.

If this threatened danger is to be averted, the acquisition, improvement, and control of dock property by the city should be made a matter of public agitation, and entered into at once in a vigorous, comprehensive manner. Excellent plans have been devised for improving the water front of the city, for constructing docks equal to those of Liverpool, and for providing proper means for transportation and transshipment along the lines of the city's marginal streets. But thus far the cost has proved prohibitive—prohibitive, however, only for one reason: the obstruction of the constitution. If it can be shown—and it can be—that the money expended for these dock improvements would

not prove a real debt, burdensome to the taxpayers, but rather an advance or loan made *by* the city and certain to be repaid, principal and interest, within the lifetime of this generation, with an enormous profit besides, who would be such a slave to conservatism as to dispute the wisdom of amending the constitution so as to make this great improvement possible?

The people do not properly realize the profits which the city derives from its docks.

The bonds issued by the city in recent years to pay for the acquisition and improvement of dock property have borne an average interest charge of about three and a quarter per cent per annum. Up to 1895 the Dock Department had spent the sum of $6,508,291.50 in acquiring and improving private property, from which the rentals received amounted to $462,226.54, or seven and one tenth per cent per annum on the total outlay. This would represent a profit over the interest charge on such bonds of more than $250,000 per annum, or sufficient

to redeem the principal of the bonds in less than twenty years, notwithstanding the fact that the outlay referred to includes the large expense of widening and paving West Street.

Since 1895 the Dock Department has conducted important condemnation proceedings in the vicinity of Bank and Bethune Streets, on the North River, to provide piers of extraordinary length for the use of the large transatlantic steamship lines. Owing to the peculiar topography and development of this locality, the cost of these proceedings was greater than any heretofore attempted, or likely to be undertaken in the future.

The blocks of ground condemned were covered by large factories with expensive fixtures and machinery, which had to be paid for by the city, and then torn down and removed. Afterward the ground upon which these buildings stood had to be dredged out to a sufficient depth for the slips, which was a heavy expense not ordinarily incurred.

This was followed by the construction of a masonry bulkhead wall and the erection of piers. The total outlay connected with this improvement was $7,536,841.60, upon which the annual interest charge is $244,947.35. The rentals received amount to $370,206.52, which shows an annual profit of $125,259.17.

Ordinarily the city does not have to acquire the upland property abutting on the water front, so that this improvement makes the least favorable financial showing for the Dock Department that could be exhibited. Nevertheless, the annual profit is sufficient to redeem the bonds issued in thirty-five years, at the end of which time the city will be probably $10,000,000 richer by the operation.

To adhere slavishly to the fetich of a constitutional provision in the light of such a showing as this is to shut the door of fate in the face of our city's future. If New York city is to occupy the position of commercial supremacy to which its past history and its natural advantages entitle it, we must

reason about these matters like intelligent adults, and not like children still enmeshed in the prejudices of early teaching.

The constitution should be amended so as to except from the limitation on the indebtedness of cities bonds issued to provide for improvements which, while governmental in their character, are, nevertheless, essentially business enterprises, and from the operation of which profits can be derived sufficient to provide a speedy amortization of the indebtedness temporarily incurred.

To some it may seem that one holding the public office I do, which has always been associated in the public mind with ideas of conservatism in dealing with the finances of the city, should not advocate a proposition looking toward a large increase in the municipal debt. But if I have failed to show that the increase I favor is not in any practical sense a real debt, that the issue of bonds for the purposes I have described imposes no added burdens upon the taxpayers; and that for this reason the principle

of the constitutional limitation has no application—if I have failed to show these things, I am still convinced that the cause of the failure lies in my inadequate presentation rather than in a lack of merit in the plan itself.

CHAPTER V

WATER SUPPLY

Municipal Ownership of Plant Essential—The Ramapo Contract.

THERE is no feature of municipal government more firmly established than the simple business proposition that cities should own and control their water supply. An abundant and inexhaustible supply of water is just as essential to the life of a city as ground upon which to build and air to breathe. The experiment of private ownership of water has been tried in various countries and ages, always with unfortunate if not disastrous results.

Aside from business considerations, the private ownership and control of the water supply of a city is repugnant to every sense of freedom and independence. When people

of intelligence unite their interests in a close community they must of necessity make common cause of certain indispensable rights and privileges, chief of which are the means of healthful existence.

For almost a century the city of New York owned and controlled its waterworks and sources of supply. Prior to consolidation the original city had expended more than $40,000,000 in developing and extending its waterworks, aqueducts, and storage reservoirs. Throughout that period of corporate existence, wherein many rash and costly experiments had been made, no proposition to depend upon private capital for water had ever been seriously considered.

Several years ago alarmists, or persons having selfish motives, attempted to create an agitation in favor of looking beyond the present watershed for an ultimate supply of water. No alarm was created, but persons willing to speculate upon the necessities of a great city and the weakness of human nature proceeded to organize a company for the pur-

pose of acquiring water rights up the State with the intention of ultimately offering to New York, at their own terms, such extra supply as might be deemed necessary. These men evidently believed that consolidation had created a market for their speculative water supply. They had obtained from the State Legislature a valuable charter, and early in 1898 city officers were approached with various propositions to contract with the Ramapo Water Company for an additional supply of water. The propositions were rejected without the formality of serious consideration, but certain persons interested in the corporation did not abandon the attempt to raid the city treasury. In the summer of 1899 the vague reports of a shortage in the city's water supply were revived and circulated extensively. That this was done for a purpose became apparent when a contract with the Ramapo Water Company was presented to the Board of Public Improvements by the Commissioner of Water Supply and failed of adoption by a tie vote. The pro-

posed contract was the most expensive and dangerous ever presented seriously to any municipality by its sworn officers.

By vigorous and persistent opposition and the aid of the courts and public sentiment I succeeded in checking and probably defeating permanently this outrageous job. The technical and business objections to the proposed contract are fully set forth in the following report to the Board of Public Improvements:

At a meeting of this Board, held August 16, 1899, the Commissioner of Water Supply presented a report urging the approval of a contract with the Ramapo Water Company to supply the city of New York with 200,000,000 gallons of water daily, at the rate of $70 per million gallons.

The questions involved in the execution of such a contract were of the utmost public importance; for, apart from the enormous expenditure contemplated thereby—about $200,000,000 during the forty-year term of

the contract—to resort to a private company for the future needs of the city meant the reversal of a consistent policy of municipal ownership, which has for many years governed all the large cities of this country.

When this matter was thus brought to the attention of the Board, a motion was made to defer action for four weeks in order that a reasonable opportunity might be had for investigation and discussion.

This motion was lost by a tie vote.

A similar motion to defer action for three weeks was likewise lost by the same vote. Finally a delay of two weeks was granted to enable the Comptroller to present a report on this supremely important subject.

During the two weeks just elapsed I have endeavored with the utmost diligence to obtain all the facts essential to the forming of an intelligent judgment on the proposition pending before the Board. In addition to the regular engineering force of my department I have employed experts of national reputation to examine into not only the pres-

ent and future needs of the city in respect to its water supply, but also to the ability of the Ramapo Water Company to supply water from the watershed alleged to be within its control.

The time allotted has proved altogether inadequate for the purpose. Monstrous as this proposition appears to me, it has been urged seriously, and it is my desire to treat it with all the seriousness due to its overwhelming importance.

To do this involves an examination, which, if conducted with proper care and thoroughness, can not possibly be completed in any such brief period of time.

The fact that actions brought by taxpayers at present enjoin this Board from approving of this contract may seem to render a request for additional time unnecessary, but I have, nevertheless, thought it proper to advise the Board of the progress thus far made, and of the conclusions to which the partial reports of my engineers inevitably point. In stating these conclu-

sions I do not expect the Board to accept them without due consideration of the data upon which they are based ; rather, it is my intention to state them as an attorney would open a case, confident that the evidence to be offered will abundantly sustain the claims hereby made.

Briefly, then, I expect to prove to the satisfaction of this Board :

First. That the supplying of water to large cities by private companies has everywhere throughout the civilized world proved a failure, as compared with municipal ownership of the water supply.

Secondly. That the proposed contract with the Ramapo Water Company would result in the city paying an excessive price for water, and that at the end of forty years the city would have absolutely nothing to show for an expenditure of about $200,000,000, and would gradually become more and more dependent on the mercy of private interests, grown enormously powerful by the aid of the municipal treasury.

Thirdly. That if the contract with the Ramapo Water Company were entered into, it would still be necessary for the city to expend a very large amount of money to utilize the water thus supplied.

Fourthly. That the Ramapo Water Company could not be ready to supply the water contracted for within the time specified in the contract, and that the bond required from that company is entirely inadequate to protect the city from loss if provision is to be made in the meantime for the distribution of such water in the several boroughs of the city.

Fifthly. That the charter of the Ramapo Water Company is void or voidable, and that it is not competent to enter into the contract in question.

Sixthly. That the statements relative to the future requirements of the city of water have been grossly exaggerated in the report of the Commissioner of Water Supply.

Seventhly. That the water supply of the boroughs of Manhattan and the Bronx will

be sufficient for many years to satisfy the population of those boroughs, and that with proper prevention of waste the Croton watershed and the adjoining territory can provide a large surplus for the use of the other boroughs.

Eighthly. That the legitimate sources of water supply on Long Island for the borough of Brooklyn have been by no means exhausted.

Ninthly. That the Board of Public Improvements is not empowered by law to authorize the execution of the contract in question, and that the approval of that Board would not enable the Commissioner of Water Supply to enter into such a contract.

Tenthly. That the city of New York is in a position to expend by the issue of bonds the necessary money to provide for the extension of its water system.

The last point being of a financial rather than of an engineering nature, there is no reason why I should not immediately state my views to the Board.

It has not been claimed that the city would be unable to issue bonds to provide for an extension of its water system, since, indeed, the constitution expressly permits the issue of such bonds in excess of the limitation otherwise prescribed for municipal indebtedness. The claim has been made, however, that if the necessary bonds were to be issued for this purpose, the city would be prevented by constitutional provisions from issuing bonds for other highly necessary purposes.

The present debt of the city is within the constitutional limit thereof by more than $22,000,000.

At the next election an amendment to the constitution is to be voted on, which, if adopted, will add nearly $30,000,000 more to the debt-incurring capacity of the city. As this amendment has been favored by both the principal political parties of the State, there would seem to be no reason to doubt its passage. Assuming its adoption, the city will enter upon the fiscal year 1900

with the power to issue $50,000,000 of bonds for new liabilities not now contracted for.

In addition to this, the revenues of the sinking fund will amount to more than $13,000,000 in 1900, and will steadily increase after that year. This figure, therefore, represents the amount by which new bonds can be annually issued without any increase of the city's net debt.

In order to judge the ability of the city to enter into any large scheme of public improvement, it is necessary not only to know the estimated cost thereof, but also the period of time within which payments will be required. Both of these elements can not now be said to be definitely known—no more to the Commissioner of Water Supply, I believe, than to myself. I hope to be able to throw light on this highly important question when the complete reports of my engineers are presented. In the meantime, however, attention may properly be called to the following facts :

Prior to the construction of the new

Croton Aqueduct, with its appurtenant dams and reservoirs, the water supply of the city amounted to 114,000,000 gallons daily.

By the construction of the new aqueduct that supply has been increased to 265,000,000 gallons daily.

The expenditure required for that purpose has amounted (to August 28, 1899) to $40,059,581.16, but that expenditure has extended over a period of sixteen years. The average annual issue of bonds has been only $2,293,823.53, and the largest amount of bonds issued in any one year has been $4,500,000.

If the present Aqueduct Commission were to proceed to develop other additional sources of water supply, it might be possible to proceed with greater speed than has been displayed in the past; but it can not be doubted that the prosecution of such a work would necessarily extend over a considerable number of years, and that the payments required to be made by the city could be easily met as occasion required.

It seems to me that the ability of the city to proceed along the time-honored and amply justified lines of municipal ownership involved in this discussion is worthy of serious argument ; for, if that be granted, the objections to handing the city treasury over to private interests become absolutely unanswerable.

In the light of the figures here quoted, I think it will be extremely difficult to disprove the city's ability to supply its own water ; and in view of the fact that by common consent an adequate water supply is a public need entitled to precedence over all other public improvements, it would seem that the burden of proof is on those who deny that the city is able to perform its most important governmental function.

CHAPTER VI

TRANSPORTATION

Relative Cost and Value of Bridges and Tunnels.

In all cities of large area and population the question of safe, cheap, and rapid transportation is one of the important problems of government. The following facts and conclusions as to the relative cost and utility of bridges and tunnels are based upon the most careful examinations and calculations by expert engineers, and the facts presented are of special interest, not only to the taxpayers of New York, but to those of other cities where similar conditions exist :

On November 29, 1899, the Board of Public Improvements approved sketch plans of two bridges to be constructed across the

East River, between the borough of Manhattan and the boroughs of Brooklyn and Queens, respectively. The estimated cost of these two bridges is $28,382,100.

The Board of Estimate and Apportionment was requested by the Department of Bridges to authorize the issue of bonds to the amount of $1,000,000 to provide for the construction of foundations for the piers. It is manifest that the expenditure of even this comparatively small initial outlay will commit the city irrevocably to the whole of the cost contemplated.

I urged the Board of Estimate and Apportionment not to take immediate action on this request for two reasons: first, because the application was premature; and, secondly, because I believed that a much speedier, better, more economical and more efficacious method exists for solving the problem of intercommunication between the several boroughs of the city than by the building of these bridges.

The plans approved by the Board of

Public Improvements on November 29th were mere sketches showing only the height and direction of the bridges. Their sole purpose, as explained by the Commissioner of Bridges at that meeting, was to secure the official approval of that Board on these two points, so that in turn the approval of the Secretary of War could be obtained on these preliminary features, which alone interest his department. Until the approval of the Secretary of War is obtained it would be useless to submit detailed plans and drawings, since any change as to height or location of piers insisted on by that official might render them valueless.

Even, therefore, if the $1,000,000 requested by the Bridge Commissioner were immediately available, nothing could be done until the approval of the Secretary of War had been obtained, the detailed plans and drawings prepared by the Department of Bridges and approved by the Board of Public Improvements, and the necessary ordinance passed by the Municipal Assembly.

I have referred to these facts merely for the purpose of showing that in any event, and even if the Board of Estimate and Apportionment should ultimately disagree with the arguments I am about to present, there is absolutely nothing to be gained and no time to be saved by hasty and immediate action on the request of the Commissioner of Bridges.

My main reason in presenting these facts, however, is to lay before the Board certain questions of the utmost importance, which, so far as I know, have never received the slightest consideration by any public officer, and upon the correct solution of which the future development of the city depends in greater degree than in the case of any matter ever presented to this Board for determination.

The necessity for better means of intercommunication between these boroughs is no longer a matter open to argument. It is admitted by practically every one, and has been advocated by none more strenuously

than by myself. It is by no means certain, however, that this problem can be solved in the most economical or efficacious manner by the building of bridges. Their cost is extremely great. If past experience be taken as a guide, the cost of these two bridges will, in all probability, largely exceed the estimate furnished by the Department of Bridges. But assuming that this estimate will not be exceeded, it is, nevertheless, proposed to enter at once into an outlay nearly as great as that required for the construction of the Rapid Transit road throughout the entire length of the borough of Manhattan, which has now become possible, after eight years of preparation and two votes of the people, only by the adoption of an amendment to the constitution of the State. As a matter of course, the delays incidental to the Rapid Transit problem in the boroughs of Manhattan and the Bronx constitute no reason why the bettering of transit facilities across the East River should be similarly delayed. On the contrary, this

experience only admonishes the necessity for much prompter action. It would be extremely unfortunate, however, if, in the desire to expedite these improvements, the city should become committed to an enormously expensive plan, which future experience should prove to be erroneous, wasteful, and inefficacious.

The advantages of tunnel building over bridge building have never been officially considered by any board or department of the city government, and the general public is, I believe, wholly uninformed as to the extent to which the former has supplanted the latter in England as a means of crossing navigable streams. Only the few who have actually traveled in the tunnels under the Thames and the Mersey realize the enormous advantages of this means of transportation. To cite an example nearer home, however—at our doors, in fact—it will doubtless surprise most people to learn that the tunnel under the East River, constructed by the East River Gas Company, is

ten and a half feet in diameter, which is four inches more than that of the City and South London Tunnel, now in daily use for transportation purposes in the city of London. The East River Gas Tunnel, besides holding the large mains of that company, contains a railroad track regularly used by freight cars. This tunnel could be duplicated to-day for considerably less than $500,000, or, say, between $800,000 and $900,000 for two such tunnels, one for east-bound and one for west-bound trains.

The Long Island Railway Company has recently made application for permission to construct, at its own expense, for general railway purposes, a tunnel under the East River. Owing to its great length, especially in the borough of Brooklyn, a comparison can not fairly be made between its cost and the cost of either tunnels or bridges which merely serve to connect the river fronts of the two boroughs. Nevertheless, the cost of this tunnel throughout its entire length will only be between $5,000,000 and $6,000,000.

This is about one third of the cost of one of the proposed bridges.

The comparative cost of construction, however, while extremely important, is only one of the questions to be considered. Others are as follows :

Tunnels can be constructed much quicker than bridges. In the actual work of constructing the East River Gas Tunnel it was found possible to advance 100 feet per week. At this rate, working from both ends, it would be possible to construct one mile of tunnel in six months. Assuming, however, that this high speed could not always be maintained, and making due allowances for unforeseen obstacles, it seems reasonably certain that a tunnel between Manhattan and Brooklyn or Manhattan and Queens could be ready for operation within two years from the letting of the contract. It is not likely that a bridge could be constructed in twice that time.

The physical advantages of tunnels over bridges for railroad purposes are also worthy

of consideration. Railroads crossing a bridge start on a sharp up-grade which it requires a maximum of power to overcome. The contrary is true of a tunnel, where gravity alone will carry a train almost to the end of the route, and only a minimum of power is required. Furthermore, a tunnel is constructed on the firmest of foundations, while a bridge is suspended in mid-air. There is no limit, therefore, to the length, weight, and number of trains that can be run on a tunnel roadbed. Trains on the Brooklyn Bridge have a speed of about ten miles an hour. Trains are run through a tunnel at from thirty to forty miles an hour. This means that fully twice as many passengers can be carried under conditions otherwise equal.

Bridges over the East River at a height of 155 or 160 feet require long approaches, for which enormously expensive pieces of private property must be acquired by purchase or by condemnation proceedings. Tunnels can be constructed wholly within

the lines of city streets, and interfere scarcely at all with vested property rights.

Bridges are pieces of machinery which must be constantly watched and carefully maintained at large expense; tunnels, on the other hand, after their first cost, require scarcely any expenditure for maintenance.

The greatest advantage of tunnels over bridges, however, is, in my judgment, yet to be stated. Tunnels can be constructed in practically any locality and can, therefore, be planned to run to and from such points as will best serve the natural tide of travel. Bridges, on the contrary, must be constructed at the arbitrary locations necessitated by the topography of the city and the configuration of the river. It is at least an open question whether the new bridge planned between the boroughs of Manhattan and Brooklyn will accommodate travel to and from the most necessary points. It will doubtless serve to relieve the pressure on the old Brooklyn Bridge, but to some extent its purposes and results will duplicate

those of that structure. The needs of the most rapidly growing district in Kings County—South Brooklyn—will not be met at all. In offering these views it is far from my intention to criticise the action of the Bridge Department, which, I understand, could scarcely have acted otherwise than it has in the preparation of these plans; since a bridge to relieve South Brooklyn was, in view of the engineering and financial difficulties, a practical impossibility. A tunnel to the South Brooklyn district, however, is entirely feasible.

This difficulty experienced by the Bridge Department in locating a bridge where it is most needed illustrates forcibly the chief advantage of a tunnel over a bridge.

The New East River Bridge now under construction starts in Brooklyn from a moderately useful location and ends in Manhattan — nowhere. These two bridges now proposed both begin and end nowhere. Only the old Brooklyn Bridge, which occupies an exceptional position, for which no

parallel can be found, connects two great natural receiving and distributing points—the two city halls.

In the case of the New East River Bridge, the Manhattan approach of which is to terminate far east of the Bowery, can it be doubted that if it had not been for the fear of adding to the already enormous expense of the land required to be condemned the Manhattan approach would have been carried at least to the Bowery, or, far better still, to Broadway? When this bridge is finished, according to present plans, it will be half useless, owing to the difficulties of access on the Manhattan side, and already suggestions have been made for a new thoroughfare to be cut diagonally across the city from this terminus to the vicinity of Cooper Union. The cost of such an avenue, if it were ever constructed, would be enormous. If a tunnel had been constructed instead of this bridge, it would have been completed long ago at a cost not exceeding one third that of the bridge, and that tunnel would

have terminated at Broadway, with possibly an intermediate station at the Bowery. Furthermore, it could have been continued at any time, at small cost, to the North River, if necessary.

The city is about to let a contract for the construction of the underground Rapid Transit Railroad. It is a mistake to think that this road will inure to the sole benefit of the borough of Manhattan. It ought to benefit greatly also the inhabitants of the borough of Brooklyn. But to do so to the best advantage it must be made accessible to them. Will any of the bridges built, building, or proposed to be built over the East River serve as feeders to or recipients of the traffic on this road?

The old Brooklyn Bridge will so serve, but with the inconvenience of a change from an overhead to an underground system. The other bridges will be practically inaccessible.

If tunnels were to be built, however, the most direct connections could be made, and

it would not be too much to expect that in course of time passengers could ride without change of cars from the Harlem River to East New York or Coney Island.

It only remains to consider whether there would be any delay in the construction of tunnels from the necessity of securing additional legislation. Fortunately the charter contains ample provision for this work. Section 48 provides that "the Municipal Assembly shall have power to provide, by ordinance, . . . for the building of bridges and the establishment of ferries over and of tunnels under any stream or waterway within or adjoining the limits of the city."

Section 415 vests in the Board of Public Improvements power to acquire title to lands above or under water required for tunnels or approaches thereto. Section 970 makes the general provisions of the city street-opening law applicable as well to the procedure in acquiring land needed for tunnels, and by Section 174 the awards, when

made, are directed to be paid from the fund for Street and Park Openings.

In presenting these considerations to the Board of Estimate and Apportionment I feel that the most momentous results will flow from the action to be taken by this Board. We are now at the turning of the ways, and if the wrong path be chosen, an irretrievable damage will be done to the interests of this city and its inhabitants. It is my belief that if the city should persist in the folly of building enormously expensive bridges over the East River, which do not accomplish the purpose for which they are designed, the day will soon come when a correct solution, which is now possible, will become impossible.

The expenditure of $30,000,000, in addition to the cost of the Rapid Transit road, will exhaust the city's debt-incurring capacity within constitutional limitations. If this $30,000,000 were to be spent in tunnels, about four times as many passengers could be carried as the two proposed bridges

would accommodate; the tunnels would be ready for use long before the bridges; the people would be carried to and from the places where and whence they wanted to go, and not deposited in inaccessible localities, and the present congested condition of the principal thoroughfares of Brooklyn would be relieved. In all probability much less than $30,000,000 would accomplish this result.

But if, on the other hand, this $30,000,000—being the last dollars that the city now has to spend for any purpose—be largely wasted on two bridges which admittedly will not satisfy the demands of the people of Brooklyn, the treasury will be exhausted and the city rendered helpless to afford any further improvement in transit facilities.

Never before, I believe, were public officers called upon to assume so weighty a responsibility; and to act according to our unbiased judgment, with the fullest information possibly obtainable, is a solemn duty.

CHAPTER VII

CITY DEVELOPMENT

THERE comes a time in the history of municipalities when great problems and grave conditions must be met in a spirit of liberal and progressive statesmanship, else golden opportunities will pass unimproved and return no more. The city of New York has now reached a stage of development where conditions demand a somewhat radical departure from the business methods that have heretofore prevailed in the conduct of public affairs. The time has come when we must realize that the consolidated city is a great and rich municipality, and that it can not be properly governed and its resources and possibilities developed under regulations designed for a smaller community.

I shall not attempt to review the details of consolidation or discuss the merits of the act, and I shall not dwell at length upon the errors of omission and commission in the construction of our charter. We have consolidated; Greater New York is a fact, and there is not even a remote probability that the work will ever be undone. Therefore there is no use in indulging in vain regrets of what is accomplished beyond our undoing. Let us therefore set our faces resolutely to the future, and see what we can do toward working out the problems that lie before us in the upbuilding of what we all believe is destined to be the greatest and grandest city in the world.

Before I take up some of the financial and business problems that must be solved at an early day, I want to say a word for the encouragement of a sentiment of mutual interest and civic pride in the city. I believe that thousands of men who voted for consolidation were influenced solely by sentiment. They felt that it would in some way

be a distinction to be a citizen of the second or possibly in time the first city on the earth. That sentiment should now be cultivated and turned to good account. It should help to break down local prejudices and sectional barriers, and unite the best citizenship in the common cause of the greatest good for the greatest number. I do not believe that we shall realize our ideal of a united and homogeneous city until all divisional lines have been forever obliterated, and there is no Manhattan, no Brooklyn, no village by the sea, no localized settlement upon the Sound, no isolated community upon the hills of the Hudson, but one grand and glorious New York. There should certainly be no divided government, which tends to perpetuate sectionalism within the city.

While sentiment in the matter of creating a great city is helpful, and not without influence for good if properly directed, we are now face to face with unemotional facts and business propositions that must be

settled without delay. We must go forward or backward. We can not stand still, and the Anglo-Saxon race has never moved backward since the days when it began to raise the cross of Christianity and the flag of freedom upon hostile shores.

Consolidation did not improve the financial or material condition of the city if we are to continue doing business under the restrictions of other days. To state the business and financial effect as briefly as possible, consolidation largely increased current expenses and largely reduced the available assets of the municipality. The result was a condition of serious financial embarrassment at the outset, but the charter made no adequate provision for relief. The Greater New York practically had to stand still for more than a year and wait for tax values to increase before it could begin making progress, although its credit is second only to that of the Federal Government.

Under the debt-limit provision of our

present State constitution, which applies to this city with the same restrictions that are imposed upon the smallest and poorest village of the interior, we must continue to crawl along in the wake of the tax assessment and wait for private property to grow in value before we can properly develop the public property and provide the general benefits to which the people feel they are justly entitled. This system of finance does not meet the requirements of Greater New York. The restrictions upon our borrowing capacity are antiquated. They are an inheritance from the days when cities had little money or credit and made few public improvements. I believe that the time for a change has come, and that the fundamental law of the State should be so amended that the great city of New York can manage its public and financial affairs in a businesslike way.

I do not wish to be understood as advocating any rash experiment, and I do not favor plunging the city into debt that would

be burdensome for years to come. I do believe, however, that debts incurred for public benefits that yield a revenue should be separated from those created for the general welfare. A debt that is not a charge upon the taxpayers should not be included in those charged against the borrowing capacity of the city. When the city invests money in an enterprise that yields a profit upon the investment there is no sound business reason why that should be included with ordinary liabilities.

At present the city derives a profitable revenue from two great public works, the docks and the water supply. The present water system of the city of New York is a paying investment. By that I mean that after paying the interest on the bonds issued to acquire it and providing for the principal, there remains a substantial profit over the cost of maintenance. Of course the system must be enlarged and extended from time to time, because we are not going to buy any water from the Ramapo Company or

any other private corporation; but the receipts will increase even more rapidly than the expenditures, and it is only a matter of time when the city will own free of debt a vast system of waterworks that will return to the public treasury a large net revenue. The bonds issued for waterworks will not be paid out of taxation, and the interest charges are included in the budget only as a matter of bookkeeping, because the revenue derived from water sold is ample to pay both principal and interest.

The same condition of affairs exists in connection with the dock property owned by the city. The piers are a paying investment. The dock bonds outstanding bear a little more than three per cent interest, and the modern piers leased to the transatlantic steamship companies pay an average of seven per cent on their cost. This return will enable the city to retire the bonds in less than twenty years and own the finest dock property in the world free of debt. There is no sound business rea-

son why such investments should be a charge against the borrowing capacity of the city to delay other important public improvements.

I believe that the city should own the entire water front and should have the power, as it has the financial ability, to construct the greatest system of docks in the world. If we had the constitutional power to acquire at once every foot of water front in the city, we could raise the money to do it, and I know that it would be the best investment the city could make. I need not remind you that the shipping interests of New York, the foreign and domestic trade interests, are all suffering because of inadequate facilities for handling ships and cargoes. The trade of New York has suffered seriously in recent years, while the business of nearly all other ports on the Atlantic seaboard has steadily increased. Many of you are doubtless familiar with the exact figures showing the decline of shipping business at this port, so I shall not go into

those details. The matter is now a subject of State inquiry, and it is serious enough to command the attention of all local trade organizations. It is conceded that much of this loss of business is due to inadequate docking and shipping facilities, and all investigations have demonstrated that any material improvement must be made by the city. Therefore I deem it of the greatest importance that the consolidated city should not be hampered for money at this time, and should be permitted to develop its great material resources as rapidly as possible. Some persons may say that it is not within the province of the city government to attempt to regulate or improve trade conditions. I say anything that will benefit the business interests of the city, any improvement that will bring another ship and cargo to the port and add to the general prosperity, is, or should be, within the province of the city government.

In order that Greater New York may not be hampered in the development of its

vast resources I would recommend a constitutional amendment that will enable the city to separate investments from ordinary debt. This is no vague and untried scheme of finance. It is not an experiment or a chance speculation, but a plain business proposition against which no valid objection can be urged. Our docks and waterworks are paying investments, therefore dock and water bonds should not be included in the liabilities charged against the borrowing capacity of the city. If we eliminate these two items the city will have a debt margin that will enable us to make progress in all important directions, without laying upon the taxpayers of this or future generations any oppressive burden.

The city is about to undertake another investment which I believe will ultimately be even more profitable than docks or waterworks. That is an underground rapid-transit railroad. Fortunately municipal ownership is provided for in the act authorizing the building of this road, and what promises to

be the most valuable franchise ever owned by any city can not be taken away from the people. But in this enterprise we are again handicapped by those unnecessary financial restrictions that stand as stone walls in the path of municipal progress. The cost of the underground railroad is to be charged against our borrowing capacity, although it is expressly provided that the contractor shall pay to the city a revenue equal to the interest on the bonds, and one per cent in addition to provide a sinking fund. Under this arrangement the city will own the property free of debt at the end of fifty years, and not one dollar of principal or interest of the bonds will have come out of the pockets of the taxpayers, yet we must charge it all against our borrowing capacity and thereby check improvements in other directions. This is not business; it is not intelligent financiering, and it is not progress. If the Greater New York is to attain the position of commercial supremacy to which its natural advantages entitle it, if it is to become a compact and harmonious whole,

utilizing to the utmost its vast wealth and unlimited credit for the benefit of its citizens, it must not be bound by a constitutional provision that antedates its conception and limits without reason its power of development. It is not my purpose to enter upon any extended discussion of the question of municipal ownership of valuable franchises, but I think my readers will agree that the time has passed when the city will dispose of public rights and powers without adequate compensation. The little we have left we shall hold for the public benefit, but of what use is a valuable franchise or a great public property if we have not power to develop it for the general good? Remove the antiquated constitutional restriction upon our borrowing capacity, let us build a great system of waterworks, and a great system of docks to bring back the commerce we have lost. At the same time we will provide for the development of the outlying districts. All these revenue-yielding investments should be separated from our other debts and no longer

rest as a dead weight upon our credit and our ability to make progress. Then we shall have ample capital to provide every public improvement necessary for the making of a great city.

CHAPTER VIII

THE CHURCH IN POLITICS

A Great Power for Good if Properly Directed.

THE power and influence of the Church in politics has for some years been a matter of discussion and dispute.

A great leader in American politics was once asked how to build up a political organization that would hold together for more than one campaign. His reply was: "Begin at the bottom and work up!"

If the churches of New York city would take that advice for a text, they would be able to exert more power for the making of good citizens and better government than any political influence in existence. The individual who holds that the Church has no place in politics would confine within narrow

and selfish bounds the greatest civilizing force in the world. The Church must be broad enough to work for humanity, to civilize, to educate, to strive for better civic and material conditions, to save men as well as souls, else it falls short of the proper exercise of its power for good. Let the churches begin at the bottom and work up. They must get closer to the masses of the people. When they condemn a social or political condition, they must be able to lead the way to something better. Abuse and denunciation alone will not improve the moral condition of a man or a community. Municipal government is what the people of a city make it. It can not long remain better or worse than the majority that created it, and city politics will be pure or corrupt according to the controlling influence.

Without intending to criticise individuals or organizations, experience in politics and public life has convinced me that the Church influence in New York city has never been brought to bear upon civic and

political conditions in a proper and helpful way. Denunciation from the pulpit may expose to the public gaze a sore spot on the body politic, but it will not eradicate the disease. A sermon on politics reaches very few voters, and men to be well taught must receive instruction direct. A majority of the voters in this city do not attend church, and in order to teach them a higher and better knowledge of their civic and political duties the Church must go to them, must reach them in their homes, in their own social world, or in the fields where they toil, approaching them gently and kindly, and compelling their interest by instructing them first as to their power over themselves and their fellow men. I believe that if the chances are equal, a man will be a good citizen rather than a bad one. Ignorant and indifferent citizenship is responsible for bad politics, which leads to corrupt government; therefore, if the Church would improve the political condition of the city, it must first better the moral condition of the citizens.

Politics tends to encourage and develop the selfishness inherent in human nature, and the most indifferent voter may be made to take a new and commendable interest in public affairs if taught that he will be directly benefited by good government. The men of the Church and the Christian associations who have attempted to reach the masses and arouse their civic pride have, as a rule, made the mistake of beginning at the top. As a result, they do not reach the people they would benefit. The political leader begins at the bottom. He forms his club in the back room of a saloon, and works up to a clubhouse. The Church starts with a clubhouse and ends with a failure. There must be a meeting point between the two extremes. The unscrupulous politician wins votes for corrupt politics by promises of individual reward. The Church may win votes for pure politics by the guarantee of general benefit from better government. To the voters of the tenements municipal government is represented by the policeman,

the sanitary inspector, and the public school, in the order named. The boy of the slums is reared in an atmosphere of antagonism to law and order, an environment destructive of good citizenship and dangerous to the community.

Social and material conditions in great cities divide the voters into two classes. In one class are the men of property and intelligence, who desire honest and capable government irrespective of partisanship. In the other class are the men without property and those of inferior intelligence, who too often feel that they have little or no direct interest in local government unless they receive some personal benefit. Politicians, for purposes of their own, encourage the continuance of this division, and aggravate the antagonism between the two classes. The lower class is much the larger of the two, and by reason of its inferior education and intelligence is the more easily swayed by appeals to the passions or emotions.

The work of the Church in politics

should not be confined to one class. The two must be brought together in a better understanding of the duties and responsibilities of citizenship, that antagonism may be allayed and that one class may help the other upon the common ground of the general welfare. It is within the power of the Church to bring about a result so much to be desired by all good citizens. The men of the Church who undertake the work, however, must first learn something of the methods of the practical politician, and proceed along similar lines until they have awakened the interest of the masses. Begin at the bottom, and first teach the people that they will be directly benefited by good government and the strict enforcement of law and order. Develop and encourage interest in public affairs, and create a sound public opinion. Teach the people that the overthrow of one party or faction and the success of another is never a guarantee of permanent reform, but that good government can not long exist without a basis

of good and intelligent citizenship. The people as a whole want honest and progressive administration of public business, and it would be a gross libel on the voters of New York to say that a majority of them would knowingly vote to place vicious or dishonest men in office.

Any section of the city, any election district, can be carried in a municipal election by a party or individual that can guarantee to the voters concerned a betterment of their condition, and convince them that the promise will be fulfilled. A platform proposing more and better schools, improved streets, additional parks and bridges, lower taxes, greater economy in the conduct of the public business, a better enforcement of law and order; in brief, a declaration that the city is to be made cleaner and better, and in every way a more desirable place in which to live, will win any election in New York, provided the voters can be made to believe that the declaration will be carried out in good faith. No party lash nor par-

tisan appeal will long drive men to vote against their own interests and the general welfare of the community in which they live.

The citizens themselves can make such a platform, and they can enforce the fulfillment of every pledge therein; but they must first be taught to realize their own power in the matter, and then to exercise that power soberly and with discretion. There lies the work for the Church in politics. Teach the people that the government of the city is, and will always be, what they make it. Teach them that the public welfare is the concern of the individual, and that good citizenship alone is at once the basis and the safeguard of permanent government.

The young men of the Church who take an interest in public affairs may find a wide and fruitful field among the poor of the city. It ought to be as easy to interest a man in good government and intelligent citizenship as it is to interest him in bad

politics. Begin right, and the work will not be difficult. The first step is to reach the man; the second to interest him; and the proof of the method is to hold his interest. There are various ways in which the Church can undertake the work outlined in a practical way that will insure success. Political organizations have found the small and inexpensive social club, where the workingman is made to feel at ease and enabled to enjoy certain privileges and advantages too often denied to him in his own home, the surest way of reaching the masses. An experiment along the same lines is worth a thorough trial. If every church in New York should establish a small club or reading room, to be gradually converted into a school for instruction in public affairs and the cultivation of civic pride, the way would be paved for direct communication between the two classes of citizens that would in the end be beneficial to both. Such places should not be cold, cheerless, conventional lecture halls where superior knowledge is

exhibited on a pedestal of pride and superiority. There the man of the Church and the man of large affairs should meet the laborer in overalls as man and man, each interested in the promotion of conditions of mutual benefit. Every light and shade of such a clubroom should spell a broad and generous welcome to humanity, and every man who crossed the threshold should be made to feel that, no matter how humble his station in life, the public welfare is in some small measure committed to his keeping, and that he can do something toward the making of a better city.

CHAPTER IX

POLITICAL MACHINES

How they may be Destroyed when they Defeat the Will of the People.

EVEN a brief and incomplete record of municipal government can not well omit all reference to machine politics. It is in the large cities that we find the corrupt and dangerous political machine in the full stage of development, and there we may study at close range the phenomena of one-man power in a republic.

In seeking to better the political conditions of the country I would reform the political parties rather than destroy them, and take chances of building a better system upon a foundation of chaos.

I have been trained in the school of practical politics, and there is a popular impression that we have no other kind in New York; but I am well aware that in the general methods that prevail in the party caucus and convention there is vast room for improvement, or reform, if you prefer.

In reformed politics the convention and the caucus will not be controlled by a machine or a boss. While it may seem a digression from the subject under consideration, I wish to present some views of my own on the general subject of political organization, which includes the party boss and the party machine. Having taken some small part in politics in New York, I can speak as one who has studied the boss and the machine at close range.

The political machine is legitimate party organization narrowed down to one-man power, and the machine politician is the man who is in, the reformer the man who

is out. The practical politician finds it easier to fool all the people sometimes than to obey the will of the people all the time. He builds his machine of popular political policy, paints it with promises, drives it with greed for spoils, and with it he cuts a short road to public office, power, patronage, and wealth. The machine in its primitive state is a harmless institution. It may be made an engine of destruction or a stepladder to good government. Unorganized political parties are without cohesive power and doomed to failure, no matter how just their cause. Out of the necessity of organization comes the machine that is useful or dangerous to our system of government, according to its individual mechanism or the boss, as the case may be. It is not peculiar to the cities. It is also found at the court house of the rural county, at the crossroads post office, the village store, and the town hall. The difference is one of degree ; the mechanism is everywhere the same.

The political machine is sometimes made odious to good citizens, but it is never wholly bad in itself. It is a fixture in American politics, and while it may be broken and rebuilt, cleaned and reformed, it can not be eliminated. The men who rail loudest against it, as a rule, are ever ready to use it or its broken parts as stepping-stones to place and power, even to a boss-ship. Its reputation for evil is in every case due to party leaders who have used it for personal purposes and made of it an instrument to defeat the wishes of the people who created it. Contrary to popular belief, a party leader can not make a political machine. The party makes the machine, the machine makes the leader, and then the latter makes himself a boss. A leader of a party is never a boss, because leadership implies followers, and a boss does not lead: he drives, and the machine is his vehicle, the individual members of it his driven cattle.

The corrupt political machine of to-day, controlled by a boss, is contrary to the Amer-

ican system of government, and were it not a terrible reality its creation would be deemed an impossibility. It is, in its present state of perfection, rule of the people by the individual for the boss, his relatives, and friends. It is the most complete political despotism ever known, and yet the political machine on which the boss rises as dictator and despot is based on the fundamental principle of democracy—that system of government wherein all men are supposed to be equal and every voter a sovereign. It is the multiplicity of voting sovereigns that makes the machine a necessity for concerted political action ; and when sovereignty has been centralized by organization, the great majority of our constitutional rulers go about their private affairs, careless of their rights and powers until their personal or property interests are affected by the ukase of a party boss. For a century the division of the voters into political parties has been a part of our system of being governed by the man who runs the machine of the party in office. This division

has been carried up or down, according to the point of view, from national politics to the election of township constables. When the sovereigns are divided on party lines the work of partisan organization is made easy, and the majority need not think or act for themselves; they can leave all such details to the committees. The building of the political machine begins whenever a question of policy seems to demand united party action. The frame is laid in the party caucus or mass meeting, where every voter may be heard. There the necessity for organization is made apparent, and a committee is created. That is the work of the voters of a party in a particular locality, and the first committee is the creation of a majority. So far the plan of procedure is perfect. It is essentially democratic—majority rule. But the committee is too large, and a subcommittee is detailed to carry on the work of the organization. From a subcommittee the task passes to individuals—one, two, or three—and behold, in a day a political machine stands

complete, awaiting the guiding hand of a boss!

The committee of the township, county, town, or city mass meetings develops into a small machine, which for a time does its work so well that the people are pleased. When the time comes for holding another mass meeting the voters do not turn out. They are busy with their own affairs, and their confidence in the committee is unshaken. Then the machine grows stronger, and the leader of the first meeting is the boss of the second, dictating nominations and dividing patronage. The smaller committees are represented in the State or city organization, and along the same lines a larger machine is built. It is merely the local and political interests and ambitions merged into one harmonious whole—the machine finished and ready for business.

The party organization created in this way is not wrong in itself, and has no power to move contrary to the wishes of its creators. It is the mechanism of a party ready

for work ; but there must be a guiding hand, a directing force provided by the voters as a whole or by a boss. It is only when the rank and file of the party cease to take an active interest in the machine they have created that it ceases to obey their wishes and becomes the tool of the despot. To maintain the organization necessary to keep a political party alive and get out a full vote a large amount of routine work must be done by some one. Men of business have no taste for this labor, and are glad to leave it to those who have no other occupation. When a man takes up politics as a profession usually he expects to make money out of it, and to make money he must get into office himself or put his friends there. It is perfectly natural that the professional politician should become unscrupulous as to means to accomplish his end.

When civic pride and public spirit are withdrawn from the party organization, the modern political machine remains. It stands before the public disguised as a committee ;

but every member is there for business, and his first thought is to get all he can out of the party before he is succeeded by some one more unscrupulous. In the scramble for spoils that follows the boss is developed. He is a man with enough force of character to bend the other members of the organization to his will and make the machine a weapon of offense and defense. Once a boss is firmly established in his place his first thought is to take care of the machine, to keep it in good working order, for without it he can not longer retain power.

The good citizens who constructed the original pieces of the party mechanism and helped put them together ready for the hand of the boss are surprised when they find that they no longer have any power in politics. They will not believe that it is their own fault that they have no voice in the selection of candidates or the making of a party platform, and that legislation is something to be bought and sold. They cry out against the boss, and charge him with

deep and dark conspiracy against their rights. They do not understand how it all came about, but they know that the man they left to oil and wipe the machine has taken the throttle, and that without his permission they can not even steal a ride on the trucks. In their anger they charge the boss with political legerdemain and all sorts of crimes, because he has taken advantage of their absence from public affairs, and is running the machine to suit himself.

In this country there can be no government without the consent of the governed. There can be no political boss without the peaceful submission of the voters who are bossed. All party organization is political machinery. All political machines are useful and harmless when controlled by a party as a whole. They become engines for the destruction of good government when left to the control of unscrupulous professional politicians. Every political machine can be destroyed by the power that created it.

Party bosses, despots, and dictators can be overthrown only by their own party. A party boss is dangerous so long as he has votes or offices to sell or barter. No man can be a boss unless he controls votes, and votes can not be controlled without the consent of the voters.

To overthrow a boss successfully he must be defeated by his own party. When defeated by the opposition his friends will rally around him and he will probably carry the next election. It is within the power of the Democrats and Republicans, of New York, Massachusetts, Pennsylvania, Ohio, or any other State in the Union, to break up any political machine that exists and defeat all party bosses.

To reform parties and overthrow bosses you must begin at the bottom. You must get the people to vote at primary elections and extend the primary system until it takes the place of the packed convention and the corrupt caucus that merely register the will of one man.

I believe that all party nominations for office in a city, town, or county should be made by a direct vote of the members of that party, cast at a primary election conducted under legal regulations and safeguards as complete as those provided for general elections. That is government by the people reduced to a direct and simple method. The chief complaint against party machines and party bosses is that they select the men who run for office, and that the great mass of the voters have no voice in the matter. If nominations were made by the people direct there would be no bosses, and every corrupt machine would be wrecked at the first election. A primary law that would enable the people to nominate all candidates for office would, I believe, cause all good citizens to take some interest in politics. That result alone would be a long step forward toward better politics and better government. Men of honesty and independence would then seek the honor of nomination and election to office,

and we should soon have a better class of men in politics and public life.

It might be difficult to extend the system to nominations for State officers, and probably impossible to nominate a President in that way; but when you have clean, honest, and independent politics in the ward, the town, and the city, there will be little cause to worry about the State or the Nation. To make State and national conventions truly representative of the people and the great political parties, I believe that every delegate should be elected by direct vote of the members of his party in his State, city, or county. This system is not new. It has been tried in several States in the South and West. In South Carolina, Alabama, and Mississippi, candidates for governor are nominated at party primaries by secret ballot. The system has worked so well that the Democrats of those States have accepted it as a party law.

Let the people nominate and nominations can not be bought and sold. Then a

man can run for office without selling his conscience and self-respect to a party boss. Under our system of government you can not abolish political parties, but you can destroy the secret caucus and the packed convention where the will of the people is defeated. You need not destroy the political machine; merely take it out of the hands of the boss and restore it to the people. Let the voters operate the machines and every political boss in the land will have to look for another job.

The voters of this country who are arrayed under the banners of opposing political parties are mostly honest men. They love their country and its institutions, and in the hour of danger they will trample into dust every dividing line as they rally round the flag of the Republic. We may safely trust them at all times. The mistakes they make are errors of judgment, never sins of the heart. If we can get back to the first principles of party division, direct action by the people, we shall have a real and lasting

reform. When all the people vote at party primaries, when nominations are made by the rank and file of Democrats and Republicans, we shall have better politics and better government.

THE END

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